

---

## **Informe del Presidente**

### **Propuesta de préstamo**

### **República Socialista de Viet Nam**

### **Proyecto de Reducción de Emisiones en las Tierras Altas Centrales y la Costa Centro-Sur de Viet Nam en Apoyo a los Objetivos del Programa de Acción Nacional de REDD+<sup>1</sup>**

N.º de identificación del proyecto: 2000002336

---

Signatura: EB 2024/143/R.4/Rev.1

Tema: 3 a) i) a) iii)

Fecha: 11 de diciembre de 2024

Distribución: Pública

Original: Inglés

#### **Para aprobación**

**Medida:** Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 63.

---

---

<sup>1</sup> Desde que la Junta Ejecutiva aprobó la financiación propuesta, han acaecido varios cambios en las autoridades provinciales y ministeriales de Viet Nam. Cuando la Junta dio su aprobación, el proyecto comprendía las cinco provincias siguientes: Dak Lak, Dak Nong, Gia Lai, Lam Dong y Ninh Thuan. Desde entonces, Ninh Thuan se ha unido administrativamente a la provincial de Khanh Hoa, por lo que toda referencia a Ninh Thuan se ha sustituido por Khanh Hoa. Por su parte, la provincia de Dak Nong se ha unido administrativamente con Lam Dong, y las dos provincias Dak Nong y Lam Dong —también comprendidas en el proyecto— ahora están consideradas una sola provincia bajo la denominación de Lam Dong. De resultas de estos cambios, ahora el proyecto comprende cuatro provincias: Dak Lak, Gia Lai, Lam Dong y Khanh Hoa. Además, el Ministerio de Agricultura y Desarrollo Rural se ha fusionado con el Ministerio de Recursos Naturales y Medio Ambiente, dando lugar al Ministerio de Agricultura y Medio Ambiente, que pasa a ser la autoridad ministerial competente. Todos estos cambios se hacen constar a título informativo, si bien no tienen ninguna consecuencia notable en la propuesta del proyecto, que se ajusta sustancialmente a los términos y condiciones presentados en origen.

---

#### **Preguntas técnicas:**

**Reehana Raza**  
Directora Regional  
División de Asia y el Pacífico  
Correo electrónico: r.raza@ifad.org

**Ambrosio Barros**  
Director en el País  
División de Asia y el Pacífico  
Correo electrónico: a.nsinguibarros@ifad.org

---

# Índice

<b>Mapa de la zona del proyecto</b>	<b>ii</b>
<b>Resumen de la financiación</b>	<b>iii</b>
<b>I. Contexto</b>	<b>1</b>
A. Contexto nacional y justificación de la actuación del FIDA	1
B. Enseñanzas extraídas	3
<b>II. Descripción del proyecto</b>	<b>3</b>
A. Objetivos, zona geográfica de intervención y grupos objetivo	3
B. Componentes, efectos directos y actividades	3
C. Teoría del cambio	5
D. Armonización, sentido de apropiación y asociaciones	5
E. Costos, beneficios y financiación	6
<b>III. Riesgos</b>	<b>11</b>
A. Riesgos y medidas de mitigación	11
B. Categoría ambiental y social	11
C. Clasificación del riesgo climático	11
D. Sostenibilidad de la deuda	12
<b>IV. Ejecución</b>	<b>12</b>
A. Marco organizativo	12
B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación	13
C. Planes para la ejecución	14
<b>V. Instrumentos jurídicos y facultades</b>	<b>14</b>
<b>VI. Recomendación</b>	<b>15</b>

## Apéndices

- I. Negotiated financing agreement
- II. Logical framework
- III. Integrated Project Risk Matrix

---

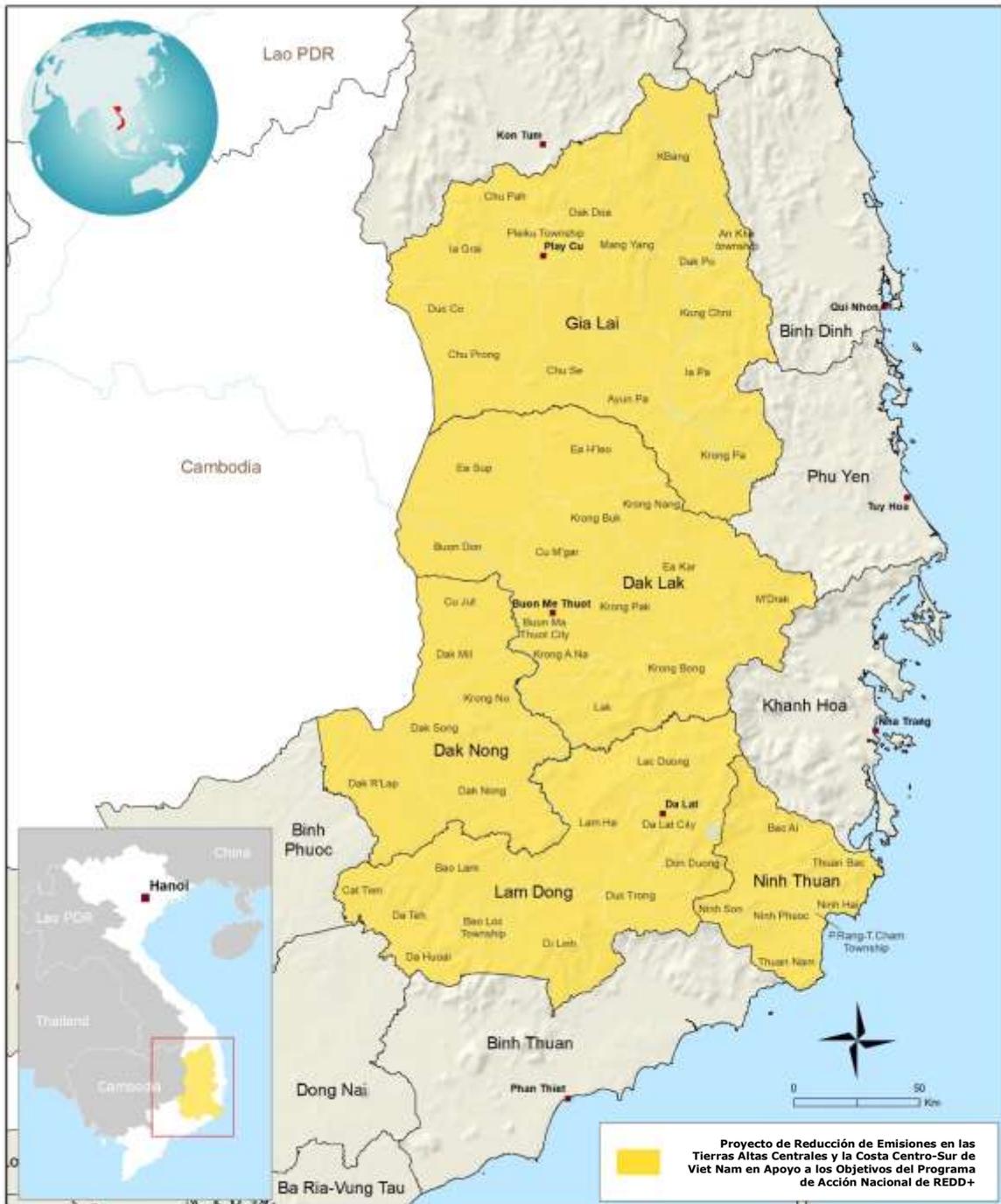
### Equipo encargado de la ejecución del proyecto

---

Directora Regional:	Reehana Raza
Director en el País:	Ambrosio Barros
Oficial del Programa en el País:	Thanh Tung Nguyen
Técnico Principal:	Pierre Yves Guedez
Miembro del PDT:	Ilaria Carlotta Firmian
Miembro del PDT:	Lorna Grace
Oficial de Finanzas:	Norpulat Daniyarov
Oficial Jurídica:	Michele Totah

---

## Mapa de la zona del proyecto



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Fuente: FIDA | 25-8-2022

## Resumen de la financiación

<b>Institución iniciadora:</b>	FIDA
<b>Prestatario/receptor:</b>	República Socialista de Viet Nam
<b>Organismo de ejecución:</b>	Ministerio de Agricultura y Desarrollo Rural
<b>Costo total del programa:</b>	USD 102,51 millones
<b>Monto del primer préstamo del FIDA (Sistema de Asignación de Recursos basado en los Resultados (PBAS)):</b>	USD 25 millones
<b>Condiciones del primer préstamo del FIDA (PBAS):</b>	Ordinarias: el préstamo se concede en condiciones ordinarias y estará sujeto a intereses sobre el principal adeudado a una tasa de interés equivalente a la tasa de interés de referencia del FIDA con un diferencial variable, y tendrá un plazo de vencimiento máximo de 25 años, incluido un período de gracia de 5 años.
<b>Monto del segundo préstamo del FIDA (Mecanismo de Acceso a Recursos Ajenos (BRAM)):</b>	USD 7,434 millones
<b>Condiciones del segundo préstamo del FIDA (BRAM):</b>	Ordinarias: el préstamo se concede en condiciones ordinarias y estará sujeto a intereses sobre el principal adeudado a una tasa de interés equivalente a la tasa de interés de referencia del FIDA con un diferencial variable, y tendrá un plazo de vencimiento máximo de 25 años, incluido un período de gracia de 5 años.
<b>Cofinanciador:</b>	Fondo Verde para el Clima
<b>Monto de la cofinanciación:</b>	USD 35 millones
<b>Condiciones de la cofinanciación:</b>	Donación
<b>Contribución del prestatario:</b>	USD 28,64 millones
<b>Contribución de los beneficiarios:</b>	USD 6,44 millones (contribución en especie)
<b>Monto de la financiación del FIDA para el clima:</b>	USD 32,434 millones
<b>Institución cooperante:</b>	Proyecto supervisado directamente por el FIDA

## I. Contexto

### A. Contexto nacional y justificación de la actuación del FIDA

1. La República Socialista de Viet Nam ha logrado importantes avances en la reducción de la pobreza. En 2020, la proporción de personas que vivían por debajo del umbral nacional de pobreza cayó al 4,8 %, una cifra muy inferior al 70 % registrado en 1993. Actualmente, la pobreza en Viet Nam es predominantemente rural y afecta en su mayoría a las minorías étnicas. Las tasas de pobreza más altas se encuentran en las tierras altas centrales (el 8,3 %) y en la provincia de Ninh Thuan (el 12,7 %). La pobreza afecta al 40,4 % de las personas pertenecientes a minorías étnicas, que representan el 53,8 % de quienes viven en condiciones de pobreza extrema en el país.
2. La agricultura ha contribuido significativamente al crecimiento económico y a la reducción de la pobreza rural, pero esto ha tenido un costo. El crecimiento del sector se ha logrado en gran medida mediante la explotación insostenible de los recursos naturales. En las regiones de las Tierras Altas Centrales y la Costa Centro-Sur, los sectores agrícola y forestal representan entre el 28 % y el 50 % del producto interno bruto (PIB) provincial y generan entre el 80 % y el 90 % del empleo, por lo que son esenciales para la economía y los medios de vida de la población que allí habita.
3. En los últimos 50 años, la temperatura media de Viet Nam ha aumentado aproximadamente entre 0,5 °C y 0,7 °C, con un incremento más acelerado en el sur del país y en las Tierras Altas Centrales. En las 5 provincias donde se desarrollará el proyecto, la temperatura media aumentó entre 0,9 °C y 1,0 °C. Los fenómenos climáticos extremos se han tornado más frecuentes e intensos<sup>2</sup>, y las sequías representan una amenaza climática importante en la zona del proyecto.
4. A nivel mundial, el sector de la agricultura, silvicultura y otros usos de la tierra es el segundo contribuyente al calentamiento global, solo superado por la generación de energía. Este sector es responsable de cerca del 22 % de las emisiones de carbono<sup>3</sup>. Las emisiones netas totales del sector agrícola del país (excluidos los bosques) pasaron de 0,79 tCO<sub>2</sub>eq en 2000 a 3,81 tCO<sub>2</sub>eq en 2018<sup>4</sup>. El Programa para Reducir las Emisiones debidas a la Deforestación y la Degradación Forestal (REDD+) es un instrumento clave de la Estrategia Nacional de Cambio Climático de Viet Nam. El Programa de Acción Nacional de REDD+ 2011-2020 (PANR), aprobado en 2012 y actualizado en 2017 para el periodo hasta 2030, constituye el marco del país para la aplicación de REDD+.

#### **Aspectos específicos relativos a las esferas transversales prioritarias de la Duodécima Reposición de los Recursos del FIDA (FIDA12)**

5. **Género e inclusión social.** El Proyecto de Reducción de Emisiones en las Tierras Altas Centrales y la Costa Centro-Sur de Viet Nam en Apoyo a los Objetivos del Programa de Acción Nacional de REDD+ (RECAF) está dirigido a una mayoría significativa de mujeres dentro de los trabajadores pobres, ya que la desigualdad de género es reconocida como una de las principales causas de la pobreza. El cambio climático entraña nuevos desafíos a este respecto. El proyecto integrará la igualdad de género y empleará estrategias de focalización directa e indirecta con miras a llegar a las mujeres pobres, sobre todo a las que pertenecen a minorías étnicas.

<sup>2</sup> [https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Viet%20Nam%20First/VIET\\_NAM%27S%20INDC.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Viet%20Nam%20First/VIET_NAM%27S%20INDC.pdf)

<sup>3</sup> IPCC 2022

<sup>4</sup> BUR 3 [https://unfccc.int/sites/default/files/resource/Viet%20Nam\\_BUR3.pdf](https://unfccc.int/sites/default/files/resource/Viet%20Nam_BUR3.pdf). En 2016, el sector de agricultura, silvicultura y otros usos de la tierra ya no se divide en agricultura y uso de la tierra, cambio de uso de la tierra y silvicultura. Se trata de las emisiones totales sin la absorción de las tierras forestales.

6. **Juventud.** El empleo juvenil es un desafío importante en Viet Nam. El sector informal sigue siendo una importante fuente de empleo para los trabajadores jóvenes, quienes reciben salarios insuficientes. Además, la falta de adecuación entre las competencias de la gente joven y las demandas del mercado laboral agrava la situación. El proyecto tiene por objeto crear un entorno propicio que favorezca el empleo decente y la iniciativa empresarial a través de cadenas de valor que no contribuyan a la deforestación.
7. **Nutrición.** Se espera que el proyecto repercuta de manera positiva en la diversidad de la dieta de los grupos objetivo a través de dos vías: i) ingresos mayores y más estables, derivados de sistemas agrícolas más diversificados, una mejor gestión de las explotaciones, inversiones en riego y una mayor integración en la cadena de valor, y ii) la introducción de árboles frutales, frutos secos, hierbas y plantas medicinales en los monocultivos actuales de café y pimienta, así como en los sistemas agroforestales que se establecerán en tierras sin vegetación, junto con el uso de frijoles, lo que aumentará el valor nutricional de los productos agrícolas.
8. **Clima y medio ambiente.** Se considera que las zonas del proyecto están muy expuestas a los riesgos del cambio climático, en particular a sequías, calor extremo, tormentas violentas e inundaciones, fenómenos que ya están causando grandes pérdidas económicas y humanas. El proyecto fortalecerá la capacidad del Gobierno central y de los gobiernos provinciales para apoyar a los pequeños productores rurales en el desarrollo de sus habilidades para anticiparse (prever y reducir las perturbaciones), absorber (hacer frente a las perturbaciones y crisis) y adaptarse a estos desafíos.
9. En consonancia con los compromisos transversales asumidos por el FIDA, el proyecto ha recibido las clasificaciones que se detallan a continuación:
  - Abarca la financiación para el clima
  - Es sensible a la nutrición
  - Prioriza las cuestiones relacionadas con los Pueblos Indígenas
  - Tiene en cuenta la capacidad de adaptación

#### **Razones que justifican la intervención del FIDA**

10. Al ser un país de ingreso mediano, Viet Nam enfrenta dificultades para acceder a financiación en condiciones favorables. Por ello, es crucial que el FIDA continúe movilizando donaciones de fuentes internas y externas, en particular para desarrollar la capacidad y llevar a cabo actividades que favorezcan a la población pobre que no están contempladas en las directrices gubernamentales de gestión de la deuda en materia de utilización de los préstamos. En este contexto, la financiación en forma de donación del Fondo Verde para el Clima, junto con el préstamo del FIDA para infraestructura en las áreas más remotas, que ha demostrado ser efectivo, ofrecerá una base sólida y atractiva para que el Gobierno logre sus objetivos en materia de políticas, en particular la incorporación de la financiación en condiciones favorables en los procesos de planificación nacional y provincial y en las inversiones del sector público.
11. El FIDA mantiene una fructífera colaboración de más de 30 años con Viet Nam, ofreciendo su apoyo a la población rural del país y al sector de la agricultura en pequeña escala. La ventaja comparativa del FIDA reside en promover la innovación y la experimentación, apoyando el desarrollo de cadenas de valor, infraestructura y financiación en pequeña escala, pagos por servicios ecosistémicos, planificación orientada al mercado, inversión pública, planificación y asignación de tierras y terrenos forestales, participación del sector privado y agricultura climáticamente inteligente.

## B. Enseñanzas extraídas

12. La cartera del FIDA en Viet Nam ha acumulado una gran cantidad de enseñanzas extraídas. En el contexto del presente proyecto, las más pertinentes giran en torno a los siguientes elementos: i) la promoción de la planificación regional y la coordinación intersectorial para las Tierras Altas Centrales y la Costa Centro-Sur; ii) la creación de sinergias entre los instrumentos relativos a las cadenas de valor, incluidos los planes de acción sobre estas últimas, el Fondo para el Desarrollo de las Mujeres, las asociaciones entre el sector público, el sector privado y los productores (asociaciones 4P) y la agricultura climáticamente inteligente; iii) la colaboración con el sector privado; iv) el empoderamiento de las mujeres; v) la adopción de un enfoque holístico en torno a la resiliencia al clima, desde la planificación hasta la ejecución, y vi) la integración de los instrumentos de los proyectos en los programas gubernamentales, teniendo en cuenta las nuevas políticas en materia de asistencia oficial para el desarrollo adoptadas en Viet Nam.

## II. Descripción del proyecto

### A. Objetivos, zona geográfica de intervención y grupos objetivo

13. La **meta** del Proyecto de Reducción de Emisiones en las Tierras Altas Centrales y la Costa Centro-Sur de Viet Nam en Apoyo a los Objetivos del Programa de Acción Nacional de REDD+ es reducir las emisiones de gases de efecto invernadero del sector de la agricultura, silvicultura y otros usos de la tierra, contribuyendo a un desarrollo sostenible y resiliente al clima de las comunidades dependientes de los bosques en las provincias de la zona del proyecto.

#### Cambio de paradigma

14. **SI** los pilares de diseño de REDD+ y del Programa de Acción Nacional de REDD+ de Viet Nam se actualizan por completo y se integran en los procesos de desarrollo socioeconómico provinciales con asociaciones 4P eficaces y con incentivos financieros y legales, **ENTONCES** Viet Nam podrá transformar la producción agrícola y la gestión forestal para alcanzar las metas en materia de productos básicos que no contribuyan a la deforestación y, al mismo tiempo, aumentar la resiliencia a los impactos del cambio climático, **PORQUE** se habrá respaldado y coordinado la capacidad necesaria en materia institucional, técnica y de políticas, la inversión pública y privada y la capacidad de las comunidades y los agricultores para lograr la reducción de las emisiones de gases de efecto invernadero y el desarrollo sostenible resiliente al clima de las comunidades que dependen de los bosques.

15. **Zona geográfica.** El proyecto abarca las provincias de Gia Lai, Dak Lak, Dak Nong y Lam Dong en las Tierras Altas Centrales, y Ninh Thuan en la Costa Centro-Sur.

16. **Beneficiarios.** El proyecto tendrá como beneficiarios directos a 100 000 hogares de pequeños agricultores, lo que representa unas 420 000 personas en 21 distritos de las 5 provincias objetivo. Además, tendrá aproximadamente 1 000 000 de beneficiarios indirectos que viven en la zona del proyecto y sus alrededores. Del total de 100 000 hogares beneficiarios directos, el 40 % serán hogares de minorías étnicas, y el 40 % de los beneficiarios serán mujeres y el 30 %, jóvenes.

### B. Componentes, efectos directos y actividades

17. **Componente 1 y efecto directo 1: Aplicación e integración del Programa de Acción Nacional de REDD+ de Vietnam en las políticas provinciales y los marcos institucionales con mejores asociaciones 4P para poner en práctica REDD+.** Este efecto directo fomentará la coordinación y la planificación intersectorial, sobre todo a nivel provincial, lo que conducirá a una reducción tangible de la deforestación y al fortalecimiento de las capacidades para movilizar fondos para la aplicación de los planes de acción de REDD+.

18. **Subcomponente 1.1 y producto 1.1: Actualización de las políticas y mecanismos nacionales de REDD+ para cumplir todas las funciones requeridas, incluida la forestación.** Para garantizar la plena armonización con los requisitos internacionales sobre pagos basados en resultados, se actualizarán y mejorarán, cuando sea necesario, las políticas y mecanismos nacionales de REDD+, en particular el Programa de Acción Nacional de REDD+, los niveles de referencia de emisiones forestales y los niveles de referencia forestales, el sistema nacional de monitoreo forestal y el Sistema de Información de Salvaguardas.
19. **Subcomponente 1.2 y producto 1.2: Integración de las políticas provinciales, los marcos jurídicos e institucionales y los mecanismos de coordinación para las partes interesadas en el Programa de Acción Nacional de REDD+.** Este producto se centra en la integración de las políticas provinciales, los marcos jurídicos y los mecanismos institucionales en el Programa de Acción Nacional de REDD+, abordando las deficiencias de capacidad en las provincias.
20. **Componente 2 y efecto directo 2: Reducción de las emisiones del sector de la agricultura, silvicultura y otros usos de la tierra gracias a las cadenas de valor libres de deforestación de las asociaciones 4P y de la financiación basada en los resultados.** Este efecto directo se centra en el diseño y la puesta en marcha de cadenas de valor que no contribuyan a la deforestación, mediante la participación de asociaciones 4P, mientras se mejora el acceso a la financiación. Además, comprende la creación de infraestructura clave para apoyar esas cadenas de valor y medidas de restauración y protección de los bosques. También busca promover la gestión forestal comunitaria y ofrecer incentivos basados en los resultados.
21. **Subcomponente 2.1 y producto 2.1: Desarrollo de cadenas de valor libres de deforestación gracias a las asociaciones 4P y al mayor acceso a la financiación.** El efecto directo 2.1 implica el desarrollo y la aplicación de planes de acción para crear cadenas de valor libres de deforestación. Esto incluye el aumento de las reservas de carbono, la adaptación al cambio climático y la garantía de unos ingresos justos para los pequeños agricultores, las minorías étnicas y otros productores. Las plataformas de asociaciones 4P para cultivos perennes adoptarán un enfoque jurisdiccional para asegurar un abastecimiento libre de deforestación, trabajando en colaboración con las principales empresas. Al mismo tiempo, el proyecto apoyará a las instituciones financieras en el desarrollo de productos de crédito y en la garantía de financiación a mediano y largo plazo para las inversiones en mitigación del cambio climático.
22. **Subcomponente 2.2 y producto 2.2: Establecimiento y mejora de infraestructura para desarrollar cadenas de valor libres de deforestación y para la restauración de los bosques.** El proyecto aspira a mejorar la infraestructura para el desarrollo de cadenas de valor libres de deforestación y para la restauración de los bosques. Esto incluye inversiones en sistemas de riego en pequeña escala y microrriego para reducir las necesidades de agua, reforzar la resiliencia al clima y promover la producción de fertilizantes orgánicos para aumentar el acceso a insumos agroforestales de calidad e instalaciones de procesamiento de valor añadido para minimizar las pérdidas posteriores a la cosecha, reducir las emisiones y aumentar el potencial de ingresos para las cadenas de valor libres de deforestación.
23. **Subcomponente 2.3 y producto 2.3: Mejora de la capacidad de gestión forestal colaborativa mediante incentivos basados en los resultados.** Este efecto directo facilita el desarrollo de un plan de gestión del paisaje comunitario que determinará las áreas adecuadas para el desarrollo agroforestal, explorará las opciones para el desarrollo de productos especiales, evaluará los requisitos de

infraestructura (vinculado al efecto directo 2.2) y considerará las posibilidades de pago por servicios ecosistémicos y de gestión forestal colaborativa a nivel comunitario con múltiples partes interesadas.

### **Gestión, coordinación y seguimiento del proyecto**

24. La coordinación del proyecto se realiza con arreglo a la estructura ya comprobada en otros proyectos financiados por el FIDA en Viet Nam. Emplea una serie de funciones adicionales para responder a las nuevas exigencias, incluida la gestión del riesgo, la actuación en materia de políticas y la facilitación de los vínculos y las asociaciones con el sector privado. El seguimiento y la evaluación (SyE) y la gestión de los conocimientos se explican en la sección IV. En el manual de ejecución del proyecto se describen en detalle las disposiciones de ejecución.

## **C. Teoría del cambio**

25. La deforestación y la degradación forestal siguen siendo fuentes importantes de emisión de gases de efecto invernadero en la zona del proyecto, a lo que contribuyen especialmente la invasión agrícola y la conversión de bosque natural en bosque de plantación. Además, existe un gran potencial para aumentar las reservas de carbono mediante la regeneración de los bosques y el desarrollo de sistemas agroforestales. La labor de REDD+ es un instrumento clave de la Estrategia Nacional de Cambio Climático de Vietnam. Aunque las personas pobres de las zonas rurales y las minorías étnicas suelen dedicarse a la producción agrícola en tierras forestales oficialmente designadas para ese uso, con frecuencia carecen de otras opciones de medios de vida y se ven afectadas negativamente por la deforestación, la degradación de los bosques y el cambio climático.
26. El proyecto tiene por objeto facilitar una transición económicamente viable hacia una gestión sostenible de las tierras forestales, unas cadenas de valor libres de deforestación y unos medios de vida resilientes al clima, a través de lo siguiente:
- apoyo a los gobiernos provinciales para que integren el Programa de Acción Nacional de REDD+ en sus planes de desarrollo social y económico y en sus inversiones;
  - apoyo al Ministerio de Agricultura y Desarrollo Rural para mejorar su sistema de seguimiento e información de REDD+ con el fin de que pueda generar los informes necesarios para el pago basado en los resultados de diferentes fuentes;
  - creación de plataformas de asociaciones 4P para el desarrollo y la puesta en marcha de planes de acción para las cadenas de valor, para que no contribuyan a la deforestación, aumenten las reservas de carbono y se adapten al cambio climático, al tiempo que proporcionen unos ingresos justos a los pequeños agricultores participantes;
  - inversión en infraestructura productiva y resiliente al clima para que las asociaciones 4P perdurables inviertan en agrosilvicultura y aumenten su resiliencia ante las sequías, y
  - puesta en marcha de una planificación y un mapeo participativos del uso de la tierra para generar un plan comunitario de gestión del territorio que indique las zonas para el desarrollo de la agrosilvicultura y determine las opciones para el desarrollo de productos especiales y las necesidades de infraestructura y opciones para poner en marcha los pagos por servicios ecosistémicos y la gestión forestal comunitaria.

## **D. Armonización, sentido de apropiación y asociaciones**

27. **Armonización con los Objetivos de Desarrollo Sostenible (ODS) y el FIDA.** El proyecto contribuirá a los ODS 1, 2 y 13. El diseño del proyecto refleja tres objetivos estratégicos del programa sobre oportunidades estratégicas nacionales (COSOP) para el período 2019-2025, a saber: i) construir cadenas de

valor estables y en favor de las personas pobres, aprovechando importantes inversiones del sector privado; ii) mejorar y ampliar la inclusión financiera en pro de medios de vida rurales resilientes al clima, y iii) fomentar la sostenibilidad ambiental y la resiliencia al clima de las actividades económicas de los pequeños agricultores pertenecientes a las minorías étnicas. El proyecto también está en consonancia con todos los temas transversales de la FIDA12: clima, género, juventud y nutrición.

28. **Armonización con las prioridades nacionales.** El proyecto está en plena consonancia con los objetivos estratégicos del Gobierno en tres esferas de desarrollo fundamentales: i) facilitar el desarrollo rural impulsado por el mercado; ii) mejorar el acceso de las personas pobres a los productos básicos y al mercado laboral, y iii) aumentar la capacidad de las personas pobres de las zonas rurales para adaptarse al cambio climático. Estos objetivos se articulan en el Plan de Desarrollo Socioeconómico (2021-2025) y la Estrategia de Desarrollo Socioeconómico (2021-2030), el Proyecto de Reestructuración Agrícola y el Programa Nacional de Respuesta al Cambio Climático y Crecimiento Verde (2016-2020) y la contribución determinada a nivel nacional de 2020 de Viet Nam.
29. **Asociaciones.** El Fondo coopera estrechamente con otros asociados para el desarrollo, en especial el Banco Mundial, el Banco Asiático de Desarrollo, la Unión Europea, el Programa de las Naciones Unidas para el Desarrollo, la Organización de las Naciones Unidas para la Alimentación y la Agricultura, el Reino de los Países Bajos, la Agencia Francesa de Desarrollo, la Agencia de Cooperación Internacional del Japón y la Agencia Alemana de Cooperación Internacional. El FIDA es un miembro activo de los diversos grupos de trabajo nacionales sobre desarrollo sostenible que brindan asesoramiento al Gobierno en torno a las políticas más destacadas para hacer frente al cambio climático en el país, en particular en las regiones de las Tierras Altas Centrales y la Costa Centro-Sur.

## E. Costos, beneficios y financiación

### Costos del proyecto

30. Se calcula que los costos totales del proyecto ascenderán a USD 102,511 millones, lo que corresponde, en dong vietnamita (VND), a 2 450 millones, para un período de ejecución de seis años. Los imprevistos de orden físico ascienden a USD 2,08 millones, lo que supone VND 49 770 millones, y los imprevistos por alza de precios a USD 7,25 millones, que suponen VND 173 270 millones.
31. El proyecto se financiará con una donación del Fondo Verde para el Clima de USD 35,0 millones (el 34,1 %), lo que equivale a VND 836 500 millones; un préstamo del FIDA (primer préstamo) de USD 25 millones (el 24,4 %) concedido mediante el Sistema de Asignación de Recursos basado en los Resultados (PBAS), correspondientes a VND 597 500 millones; un préstamo del FIDA (segundo préstamo) de USD 7,434 millones (el 7,2%) concedido conforme al Mecanismo de Acceso a recursos Ajenos (BRAM), equivalente a VND 177 580 millones; fondos de contrapartida de los gobiernos provinciales y del Ministerio de Agricultura y Desarrollo Rural por valor de USD 28,64 millones (el 28 %), correspondientes a VND 684 550 millones; y contribuciones de los beneficiarios previstos por valor de USD 6,44 millones (el 6,3 %), que corresponden a VND 153 800 millones.

Cuadro 1

**Costos del proyecto desglosados por componente, subcomponente y entidad financiadora**

(en miles de dólares de los Estados Unidos)

<i>Componente/subcomponente</i>	<i>Fondo Verde para el Clima</i>	<i>Préstamo del FIDA (PBAS)</i>	<i>Préstamo del FIDA (BRAM)</i>	<i>Gobierno</i>	<i>Beneficiarios (en especie)</i>	<i>Total</i>
	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>
<b>A. Componente 1 y efecto directo 1: Aplicación e integración del Programa de Acción Nacional de REDD+ de Vietnam en las políticas provinciales y los marcos institucionales con mejores asociaciones 4P para poner en práctica REDD+</b>						
Subcomponente 1.1 y producto 1.1: Actualización de las políticas y mecanismos nacionales de REDD+ para cumplir todas las funciones requeridas, incluida la forestación	8 055	-		213	-	8 268
Subcomponente 1.2 y producto 1.2: Integración de las políticas provinciales, los marcos jurídicos e institucionales y los mecanismos de coordinación para las partes interesadas en el Programa de Acción Nacional de REDD+	6 887	-		275	-	7 162
<b>Subtotal</b>	<b>14 942</b>	<b>-</b>		<b>488</b>	<b>-</b>	<b>15 430</b>
<b>B. Componente 2 y efecto directo 2: Reducción de las emisiones del sector de la agricultura, silvicultura y otros usos de la tierra gracias a las cadenas de valor libres de deforestación de las asociaciones 4P y de la financiación basada en los resultados</b>						
Subcomponente 2.1 y producto 2.1: Desarrollo de cadenas de valor libres de deforestación gracias a las asociaciones 4P y al mayor acceso a la financiación	11 976	-		688	-	12 664
Subcomponente 2.2 y producto 2.2: Establecimiento y mejora de infraestructura para desarrollar cadenas de valor libres de deforestación y de restauración de los bosques	560	25 000	7 434	23 719	6 435	63 148
Subcomponente 2.3 y producto 2.3: Mejora de la capacidad de gestión forestal colaborativa mediante incentivos basados en los resultados	6 040	-		411	-	6 451
<b>Subtotal</b>	<b>18 576</b>	<b>25 000</b>	<b>7 434</b>	<b>24 818</b>	<b>6 435</b>	<b>82 263</b>
<b>C. Gestión, coordinación y seguimiento del proyecto</b>						
Gestión del proyecto	1 482	-		3 337	-	4 819
<b>Total</b>	<b>35 000</b>	<b>25 000</b>	<b>7 434</b>	<b>28 643</b>	<b>6 435</b>	<b>102 512</b>

Cuadro 2

**Costos del proyecto, desglosados por categoría de gastos y entidad financiadora**

(en miles de dólares de los Estados Unidos)

	<i>Fondo Verde para el Clima</i>	<i>Préstamo del FIDA (PBAS)</i>	<i>Préstamo del FIDA (BRAM)</i>	<i>Gobierno</i>	<i>Beneficiarios (en especie)</i>	<i>Total</i>
	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>
<b>I. Costos de inversión</b>						
A. Obras	-	25 000	7 434	14 308	6 435	53 177
B. Consultorías, talleres y sesiones de capacitación	-	-	-	-	-	-
Consultorías	8 631	-	-	-	-	8 631
Talleres	5 703	-	-	-	-	5 703
Sesiones de capacitación	7 019	-	-	-	-	7 019
<b>Subtotal</b>	21 353	-	-	-	-	21 353
C. Bienes, servicios e insumos	5 136	-	-	14 334	-	19 470
D. Donaciones y subvenciones	3 327	-	-	-	-	3 327
E. Vehículos	62	-	-	-	-	62
<b>Total de costos de inversión</b>	29 878	25 000	7 434	28 642	6 435	97 389
<b>II. Gastos recurrentes</b>	-	-	-	-	-	-
Costos de funcionamiento	1 708	-	-	-	-	1 708
Sueldos y prestaciones	3 415	-	-	-	-	3 415
<b>Total de gastos recurrentes</b>	5 123	-	-	-	-	5 123
<b>Total</b>	<b>35 000</b>	<b>25 000</b>	<b>7 434</b>	<b>28 643</b>	<b>6 435</b>	<b>102 512</b>

Cuadro 3

**Costos del proyecto, desglosados por componente y subcomponente y año del proyecto**

(en miles de dólares de los Estados Unidos)

<i>Componente/subcomponente</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>Total</i>
<b>A. Componente 1 y efecto directo 1: Aplicación e integración del Programa de Acción Nacional de REDD+ de Vietnam en las políticas provinciales y los marcos institucionales con mejores asociaciones 4P para poner en práctica iniciativas de REDD+</b>							
Subcomponente 1.1 y producto 1.1: Actualización de las políticas y mecanismos nacionales de REDD+ para cumplir todas las funciones requeridas, incluida la forestación	1 324	1 311	2 616	1 632	1 161	223	8 268
Subcomponente 1.2 y producto 1.2: Integración de las políticas provinciales, los marcos jurídicos e institucionales y los mecanismos de coordinación para las partes interesadas en el Programa de Acción Nacional de REDD+	1 559	1 723	966	1 339	974	602	7 162
<b>Subtotal</b>	<b>2 884</b>	<b>3 034</b>	<b>3 582</b>	<b>2 971</b>	<b>2 134</b>	<b>825</b>	<b>15 430</b>
<b>B. Componente 2 y efecto directo 2: Reducción de las emisiones del sector de la agricultura, silvicultura y otros usos de la tierra gracias a las cadenas de valor libres de deforestación de las asociaciones 4P y de la financiación basada en los resultados</b>							
Subcomponente 2.1 y producto 2.1: Desarrollo de cadenas de valor libres de deforestación gracias a las asociaciones 4P y al mayor acceso a la financiación	1 576	2 276	2 415	2 471	2 288	1 639	12 664
Subcomponente 2.2 y producto 2.2: Establecimiento y mejora de infraestructura para desarrollar cadenas de valor libres de deforestación y de restauración de los bosques	15 295	10 841	14 821	22 026	109	57	63 148
Subcomponente 2.3 y producto 2.3: Mejora de la capacidad de gestión forestal colaborativa mediante incentivos basados en los resultados	670	1 561	1 706	1 750	692	72	6 451
<b>Subtotal</b>	<b>17 541</b>	<b>14 677</b>	<b>18 942</b>	<b>26 247</b>	<b>3 089</b>	<b>1 767</b>	<b>82 263</b>
<b>C. Gestión, coordinación y seguimiento del proyecto</b>							
Gestión del proyecto	3 643	238	254	241	231	210	4 819
<b>Subtotal</b>	<b>3 643</b>	<b>238</b>	<b>254</b>	<b>241</b>	<b>231</b>	<b>210</b>	<b>4 819</b>
<b>Total</b>	<b>24 068</b>	<b>17 950</b>	<b>22 779</b>	<b>29 459</b>	<b>5 454</b>	<b>2 802</b>	<b>102 512</b>

### **Estrategia y plan de financiación y cofinanciación**

32. La financiación total del FIDA en la estructura de financiación del proyecto asciende a USD 32,434 millones, que consisten en dos préstamos en condiciones ordinarias, uno concedido con arreglo al PBAS en el marco de la FIDA12 por valor de USD 25 millones (primer préstamo) y otro en el marco del BRAM por valor de USD 7,43 millones (segundo préstamo). A ello se le suma una donación del Fondo Verde para el Clima por valor de USD 35 millones, una financiación de contrapartida de los gobiernos provinciales participantes y contribuciones de los beneficiarios. En consonancia con el Decreto gubernamental 114, el préstamo del FIDA se destinará exclusivamente a financiar las inversiones en infraestructura resiliente al clima del subcomponente 2.2. Se ha confirmado la mayor parte de la financiación nacional, si no toda.
33. Se prevé que el proyecto atraiga a asociados del sector privado interesados en invertir en cadenas de suministro libres de deforestación. Esto contribuirá al componente 2. También se prevé obtener recursos adicionales en concepto de pagos basados en los resultados con respecto a REDD+ procedentes de diferentes fuentes, como el Fondo Verde para el Clima, el Fondo Cooperativo para el Carbono de los Bosques del Banco Mundial y la Coalición LEAF para obtener resultados durante el período 2023-2030.

### **Desembolsos**

34. El convenio de financiación del FIDA contendrá únicamente la categoría de gastos de obras, de conformidad con la normativa local en materia de asistencia oficial para el desarrollo. El proyecto utilizará los fondos de la donación del Fondo Verde para el Clima y los fondos de contrapartida del Gobierno para financiar inversiones intangibles, como la capacitación, la asistencia técnica y los gastos de consultoría. Los fondos del proyecto serán gestionados por las unidades de gestión del proyecto (UGP) provinciales, de acuerdo con la normativa gubernamental. La existencia de múltiples organismos de ejecución (cinco provincias más el Ministerio de Agricultura y Desarrollo Rural) y seis convenios de financiación individuales con cada uno de ellos hará que aumenten considerablemente los costos de transacción para el FIDA. Además, será fundamental una presupuestación precisa y una estrecha coordinación con el Ministerio de Finanzas para evitar que falten fondos durante la ejecución del proyecto. A través del sistema de tesorería local, el Gobierno transferirá los fondos del FIDA y del Fondo Verde para el Clima a las UGP provinciales de acuerdo con el plan operacional anual y presupuesto conexo aprobado. Cada provincia dispondrá de una cuenta designada en un banco comercial, de uso exclusivo para el proyecto. Los fondos del FIDA y del Fondo Verde para el Clima se desembolsarán en estas cuentas dedicadas sobre la base de informes financieros provisionales presentados cada trimestre.

### **Resumen de los beneficios y análisis económico**

35. El análisis financiero revela que las actividades propuestas son viables, y el análisis económico indica que el proyecto es extremadamente rentable, con un valor actual neto de USD 786,6 millones, lo que equivale a una tasa interna de rendimiento económico del 29,8 %. La alta rentabilidad del proyecto se debe a su ambicioso objetivo de fomentar que los beneficiarios realicen inversiones en agrosilvicultura mediante préstamos de instituciones financieras. En concreto, el proyecto, que contará con una financiación del FIDA, el Fondo Verde para el Clima y el Gobierno por valor de USD 96,076 millones, apoyará la transformación de los monocultivos de café y pimienta en sistemas agroforestales, en una superficie de 145 000 hectáreas.
36. El balance total de carbono del proyecto es de -6 684 338 tCO<sub>2</sub>eq a lo largo de 12 años (6 años de ejecución y 6 años de capitalización), para una superficie total analizada de 147 174 hectáreas. Concretamente, el secuestro de carbono mediante cambios en el uso de la tierra (forestación y otros cambios) es de -305 232 tCO<sub>2</sub>eq;

el mayor potencial de secuestro de carbono procede de la agricultura (perenne), con -2 409 108 tCO<sub>2</sub>eq, y de la degradación y gestión (degradación forestal), con -4 002 980 tCO<sub>2</sub>eq. A través de los insumos y las inversiones, el proyecto genera unas emisiones de +32 982 tCO<sub>2</sub>-eq.

### **Estrategia de salida y sostenibilidad**

37. La estrategia de salida y sostenibilidad del proyecto se basa en los siguientes pilares: i) la creación de un entorno de políticas y reglamentario propicio; ii) el fortalecimiento de las instituciones rurales; iii) el establecimiento de mecanismos de coordinación y asociaciones o alianzas; iv) el intercambio de conocimientos y el desarrollo de capacidades, y v) el allanamiento del camino para que la financiación forestal internacional basada en resultados prosiga las inversiones. Estos pilares asegurarán que, tras el cierre del proyecto, continúe la transición hacia un desarrollo económico rural libre de deforestación y resiliente al clima.
38. Se formulará una estrategia global de salida y sostenibilidad con los asociados en la ejecución en el momento de la puesta en marcha.

## **III. Riesgos**

### **A. Riesgos y medidas de mitigación**

39. En relación con la meta general del proyecto, el mayor riesgo son las perturbaciones externas del entorno de políticas, en particular el aumento de los precios mundiales de las materias primas derivado del conflicto en Ucrania. A nivel nacional, la principal forma de mitigar esos riesgos es contar con políticas macroeconómicas sólidas, entre las que se incluye la utilización de tipos de cambio fijados por el mercado. A nivel del proyecto, la principal medida de mitigación debe centrarse en la realización de análisis financieros adecuados, en los que se haga hincapié en la calidad y la alta productividad y el bajo costo por unidad del valor de los productos.
40. En cuanto a los objetivos, los principales riesgos se asocian con el mantenimiento de unas condiciones socioeconómicas estables en la zona del proyecto y de sistemas normativos para empresas. Las cinco provincias del proyecto registran un crecimiento económico que está generando una reducción de la pobreza, siendo el cambio climático el mayor riesgo socioeconómico. El proyecto impulsará la agenda nacional del Programa de Acción Nacional de REDD+ y asegurará de que todas las intervenciones financiadas en su marco se basen en la adaptación y la mitigación.
41. En cuanto a los efectos directos y productos, un riesgo es que no haya suficientes contratistas y proveedores de servicios cualificados y eficientes para ejecutar el proyecto con una buena relación costo-eficacia. Una selección y examen rigurosos de los posibles contratistas antes de su contratación podría abordar de forma satisfactoria este riesgo.

### **B. Categoría ambiental y social**

42. El proyecto se ha clasificado en la **categoría B** en materia de riesgo ambiental y social. Esta clasificación se basa en el examen de los riesgos e impactos ambientales y sociales asociados a i) el tipo, la naturaleza y la escala de las actividades propuestas del proyecto; ii) las partes interesadas afectadas por el proyecto y los resultados de las consultas con las partes interesadas, y iii) los entornos socioeconómicos y ambientales (que abarcan los riesgos inherentes) en los posibles emplazamientos del proyecto.

### **C. Clasificación del riesgo climático**

43. El riesgo climático del proyecto se considera **moderado**. El proyecto ha sido diseñado explícitamente para abordar cuestiones relacionadas con los riesgos e impactos inducidos por el clima mediante i) actividades de mitigación centradas en la mejora de la gestión forestal, y ii) la adaptación al cambio climático a través de infraestructura y prácticas agrícolas y agroforestales resilientes al clima.

## D. Sostenibilidad de la deuda

44. Viet Nam tiene en términos generales una tensión de deuda soberana baja. La deuda pública viene disminuyendo desde 2020 y se prevé que siga bajando, y los riesgos a medio plazo también son bajos. A largo plazo, se espera que Viet Nam mantenga la prudencia fiscal y continúe las reformas para reforzar las instituciones de gestión de la deuda de las autoridades con el fin de hacer frente a cualquier riesgo a largo plazo derivado del envejecimiento de la población y del cambio climático. En 2024, la deuda pública se ha reducido al 36,6 % del PIB, gracias a la mejora del equilibrio fiscal y al fuerte crecimiento del PIB nominal. La deuda pública actual (incluida la de las instituciones afiliadas garantizadas por el Gobierno) se mantiene por debajo del umbral de deuda del 50 % fijado por la Asamblea Nacional.

## IV. Ejecución

### A. Marco organizativo

#### Gestión y coordinación del proyecto

45. El Gobierno de Vietnam ha designado al Departamento de Bosques, dependiente del Ministerio de Agricultura y Desarrollo Rural, organismo de coordinación del proyecto, y a los Comités Populares Provinciales de las provincias de Gia Lai, Dak Lak, Dak Nong, Lam Dong y Ninh Thuan, respectivamente, como principales organismos de ejecución del proyecto.
46. Cada provincia creará un comité directivo del proyecto encargado de la coordinación de este. Estos comités se ocuparán de la dirección estratégica para la puesta en marcha, supervisarán la planificación, la financiación y los procesos de adquisiciones y contrataciones, movilizarán oportunamente la financiación adecuada para el plan operacional anual y presupuesto conexo, y analizarán el progreso y la información sobre los resultados.
47. Para la ejecución del proyecto, se crearán una UGP nacional y cinco subunidades de gestión del proyecto provinciales. La UGP nacional asistirá al Departamento de Bosques en la coordinación y la ejecución cotidianas del proyecto. Las cinco subunidades de gestión se encargarán de la gestión cotidiana del proyecto a nivel provincial y actuarán como secretarías en las reuniones del comité directivo del proyecto.
48. Los comités populares de distrito y de comuna coordinarán la ejecución, mientras que los organismos competentes y las organizaciones de masas serán responsables de llevar a cabo las actividades del proyecto. El personal de la UGP y de las subunidades de gestión y los servicios de asistencia técnica contratados brindarán respaldo y apoyo técnico para la ejecución del proyecto en los distritos y las comunas.

#### Gestión financiera, adquisiciones y contrataciones, y gobernanza

49. **Gestión financiera.** Las disposiciones relativas a la gestión financiera tienen en cuenta las enseñanzas extraídas de otros proyectos en curso respaldados por el FIDA. El proyecto será ejecutado por UGP descentralizadas en cinco provincias y en el Ministerio de Agricultura y Desarrollo Rural. Las disposiciones sobre la gestión financiera del proyecto se integrarán en el proceso de planificación y presupuestación del Gobierno y en su estructura organizativa en las cinco provincias y en el Ministerio de Agricultura y Desarrollo Rural. El sistema de gestión de tesorería del Gobierno se empleará tanto para la asignación de fondos del proyecto como para realizar verificaciones y controles internos. Los registros contables y la presentación de informes seguirán las normas contables gubernamentales basadas en el principio de caja modificada. El riesgo residual de gestión financiera se valora como **considerable** antes de que se implementen las medidas de mitigación acordadas.

50. **Adquisiciones y contrataciones.** Los procesos de adquisiciones y contrataciones se realizarán de conformidad con la Ley N°. 43/2013/QH13 sobre la materia, el Decreto 63/2014/ND-CP y las subsiguientes actualizaciones de las reglamentaciones conexas, que se consideran coherentes con la última versión de las Directrices del FIDA para la adquisición de bienes en el ámbito de los proyectos.
51. **Gobernanza.** La Política del FIDA en materia de Prevención del Fraude y la Corrupción en sus Actividades y Operaciones queda reflejada en el marco jurídico del Fondo<sup>5</sup>, que se aplica a todos los receptores de financiación del FIDA. La UGP central y las subunidades de gestión del proyecto provinciales velarán por que las actividades del proyecto se ejecuten de manera transparente.

#### **Participación y observaciones del grupo objetivo y resolución de reclamaciones**

52. El proceso de planificación participativa del proyecto fomenta la participación activa de las partes interesadas en la planificación. Se garantizará el consentimiento libre, previo e informado y se pondrá en marcha un plan para los Pueblos Indígenas, que establecerá un mecanismo de retroalimentación que permita plantear solicitudes, preocupaciones y riesgos, así como diseñar medidas de mitigación.

#### **Resolución de reclamaciones**

53. Se reforzará el mecanismo vigente para la resolución de reclamaciones, de conformidad con las leyes y regulaciones vietnamitas pertinentes. Los mecanismos de reclamación del proyecto constarán de dos niveles: el primero será interno y estará dirigido a las comunidades objetivo, mientras que el segundo abarcará la mediación externa o con terceras partes.

### **B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación**

54. El plan operacional anual y presupuesto conexo es el instrumento clave para la planificación del proyecto y se basará en la formulación de los planes de acción para la reducción de la pobreza, los planes de desarrollo socioeconómico, los planes de acción sobre las cadenas de valor y los planes de inversión en asociaciones 4P, utilizando el enfoque participativo establecido, como se indica en el manual de ejecución del proyecto.
55. El SyE seguirá y mejorará los sistemas existentes establecidos por anteriores proyectos financiados por el Fondo. El sistema del FIDA de medición de los indicadores básicos de los efectos directos es la columna vertebral del sistema de SyE. Se añadirán indicadores adicionales, de ser necesario. El sistema de SyE del proyecto se diseñará para seguir y verificar el logro de los productos del proyecto, los efectos directos asociados y el éxito en alcanzar los objetivos del proyecto y las metas de desarrollo.
56. La estrategia de gestión de los conocimientos está integrada en la estrategia conexas del Centro de Mekong, y se basa en los siguientes elementos clave: i) un programa de gestión de los conocimientos que fomente el aprendizaje y reproduzca las buenas prácticas y las enseñanzas extraídas del proyecto, y ii) la prestación de apoyo a un programa más amplio de gestión de los conocimientos destinado a informar a las instancias gubernamentales encargadas de la toma de decisiones y a influir en la ampliación de escala de las innovaciones y el desarrollo de políticas.

#### **Innovación y ampliación de escala**

57. Está previsto introducir los siguientes elementos innovadores en el marco del proyecto: i) la aplicación de un enfoque de desarrollo del paisaje para la transformación rural; ii) la integración en el Programa de Acción Nacional de REDD+ de planes de desarrollo socioeconómicos con un mecanismo de apoyo y

<sup>5</sup> Directrices del FIDA para la adquisición de bienes en el ámbito de los proyectos, Condiciones Generales para la Financiación del Desarrollo Agrícola, Código de Conducta del FIDA

coordinación de las cadenas de valor climáticamente inteligentes; iii) el diseño de modelos de infraestructura climáticamente inteligente; iv) la planificación y el desarrollo de cadenas de valor libres de deforestación, y v) la prevención de incendios forestales, la gestión y protección de los bosques, las aplicaciones de control de plagas y comercialización electrónica basadas en la tecnología de la información y las comunicaciones.

## **C. Planes para la ejecución**

### **Preparación para la ejecución y planes para la puesta en marcha**

58. Se prevé que la Junta Ejecutiva apruebe el préstamo del FIDA en diciembre de 2024. La aprobación del Gobierno y la inclusión del proyecto en los planes de inversión y los presupuestos nacionales y provinciales para 2026-2030 se prevén para el primer trimestre de 2025. Tras la aprobación del proyecto por parte del FIDA, los Comités Populares Provinciales contratarán al personal de sus respectivas UGP. Estas últimas prepararán un plan de puesta en marcha del proyecto, en el que se detallarán las actividades necesarias para ello. Entre ellas se cuentan la finalización de los borradores de los manuales de ejecución del proyecto, la apertura de las cuentas designadas y del proyecto, el establecimiento del SyE, la gestión financiera y de adquisiciones y contrataciones y la aprobación del plan operacional anual y presupuesto conexo y del plan de adquisiciones y contrataciones para los primeros 18 meses de ejecución, tal y como se describe en la documentación del diseño.

### **Supervisión, examen de mitad de período y planes de finalización**

59. La oficina del FIDA en Viet Nam llevará a cabo misiones periódicas de supervisión y apoyo a la ejecución, de conformidad con las directrices del FIDA y del Fondo Verde para el Clima. La oficina contará con el apoyo de los equipos regionales de la División de Servicios de Gestión Financiera, la División de Producción Sostenible, Mercados e Instituciones y la División de Medio Ambiente, Clima, Género e Inclusión Social. En el tercer año, se llevarán a cabo un estudio y un examen de mitad de período. Todas las misiones se realizarán en estrecha colaboración con las autoridades nacionales y locales, los asociados para el desarrollo y las demás instituciones competentes. La UGP central y las UGP provinciales dirigirán la preparación del informe final de proyecto y recibirán apoyo de la oficina del FIDA en el país. Ese informe estará precedido por una encuesta final y se complementará con la celebración de consultas con las partes interesadas.

## **V. Instrumentos jurídicos y facultades**

60. Un convenio de financiación entre la República Socialista de Viet Nam y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario/receptor. Se firmarán seis convenios de financiación con las seis entidades siguientes: las Provincias de Gia Lai, Dak Lak y Ninh Thuan (representadas por el Ministerio de Finanzas como signatario, ya que tanto el préstamo del FIDA como la donación del Fondo Verde para el Clima estarán bajo el mismo acuerdo subsidiario y los préstamos estarán bajo el mandato del Ministerio de Finanzas); las provincias de Lam Dong y Dak Nong (representadas por los respectivos Comités Populares Provinciales como signatarios) y el Ministerio de Agricultura y Desarrollo Rural (a través del Departamento de Bosques). Los convenios de financiación entre el prestatario y el FIDA se adjuntan como apéndice I.
61. La República Socialista de Viet Nam está facultada por su legislación para recibir financiación del FIDA.

62. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

## **VI. Recomendación**

63. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta con arreglo a lo dispuesto en las siguientes resoluciones:

RESUELVE: que el Fondo conceda un préstamo en condiciones ordinarias a la República Socialista de Viet Nam por un monto de veinticinco millones de dólares de los Estados Unidos (USD 25 000 000) conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

RESUELVE ADEMÁS: que el Fondo conceda un préstamo en condiciones ordinarias a la República Socialista de Viet Nam por un monto de siete millones cuatrocientos treinta y cuatro mil dólares de los Estados Unidos (USD 7 434 000) conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario  
Presidente

# Negotiated financing agreement

## FINANCING AGREEMENT

Loan No (PBAS): 2000005743  
Loan No. (BRAM): 2000005363  
Grant No: 2000005705

Project name: *Achieving emission reduction in the Central Highlands and South Central Coast of Viet Nam to support National REDD+ Action Programme goals* in Gia Lai province ("RECAF"/ the "Project")

The Socialist Republic of Viet Nam (the "Borrower/Recipient")<sup>6</sup>

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and together the "Parties")

**WHEREAS**, the Borrower/Recipient has requested through its Ministry of Finance, a loan and a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Project shall be co-financed by the Green Climate Fund ("GCF"),

- A. On 24 September 2018, IFAD and the GCF concluded a Master Accreditation Agreement (the "AMA"), that entered into force on 09 November 2018 pursuant to which a Funding Activity Agreement was executed on 17 June 2025, and amended on 11 August 2025 (the "FAA") setting out the terms and conditions under which the GCF will transfer the GCF Funding to IFAD for the purposes of the implementation of the Project by the Borrower/Recipient. For the avoidance of doubt, any obligation of the Borrower/Recipient stemming from the AMA or the FAA shall be specifically provided in this Agreement;
- B. By its decision GCF/B.40/02/Add.12 of 22 October 2024: Consideration of funding proposals, the GCF Board approved the Funding Proposal to finance *RECAF* as contained in GCF doc No. GCF/B.40/02/Add.12; and
- C. IFAD, in its capacity as trustee, opened a bank account to receive the GCF funds and hold them in trust (the "GCF Trust Account") and IFAD's liability in connection with this Agreement is limited to the assets of the GCF Trust Account.

**WHEREAS**, the Borrower/Recipient has undertaken to provide additional resources, financially or in kind that may be needed to the Project;

**WHEREAS**, the Borrower/Recipient shall cause the Gia Lai Provincial People's Committee ("PPC") to carry out the Project;

---

<sup>6</sup> For the avoidance of doubt, The Socialist Republic of Viet Nam shall be identified as Borrower specifically in the context of the Loan and as Recipient specifically in the context of the Grant. If the context entails both the Loan and Grant together, the term Borrower/Recipient shall be used accordingly.

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

### **Section A**

1. The following documents collectively form this Agreement: the main document including the preamble, recitals, and Sections A through E; the Project Description and Implementation Arrangements ("Schedule 1"); the Allocation Table ("Schedule 2"); and the Special Covenants ("Schedule 3").
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide two Loans and a Grant from the GCF (the "Financing") to the Borrower/Recipient, which the Borrower/Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.
4. In the event of a conflict between the General Conditions, if any, and the Financing Agreement, the latter shall prevail.

### **Section B**

1.
  - A. The amount of the IFAD loan is fourteen million United States dollars (USD 14 000 000) composed of: (i) a loan of six million five hundred and seventy thousand United States Dollars (USD 6 570 000) from the Performance Based Allocation System ("PBAS loan"); and (ii) a loan of seven million four hundred and thirty thousand United States dollars (USD 7 430 000) from the Borrowed Resource Access Mechanism ("BRAM") (together, the "Loans");
  - B. The amount of the GCF grant is six million United States dollars (USD 6 000 000) (the "Grant").
2. The Fund shall credit the amount of the Grant into the Grant Account only when the funds have been received from the GCF, at which point the Fund will inform the Recipient. Any withdrawals from the Grant Account shall be subject to the condition that sufficient funds for the Project shall have been received by the Fund from the GCF and deposited in the Grant Account to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing. The Fund shall have no obligation to extend the Grant to the Recipient under this Agreement for the purpose of the Project if no funds are available in the Grant Account for the Project.
3. The Loans are granted on ordinary terms and shall be subject to interest on the principal amount outstanding at a rate equal to the IFAD Reference Interest Rate with variable spread, payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty-five (25) years, including a grace period of five (5) years starting from the date that the Fund has determined that all General Conditions precedent to withdrawal have been fulfilled in accordance with Section 4.02(b) of the General Conditions.
4. The Loan Service Payment Currency shall be in USD.

5. The first day of the applicable Fiscal Year shall be 1 January.
6. Payments of principal and interest shall be payable on each 15 June and 15 December.
7. There shall be three Designated Accounts in USD, one for each Loan and one for the Grant, for the exclusive use of the Project opened in a commercial bank. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.
8. The Borrower/Recipient shall cause the PPC to provide sufficient counterpart financing for the Project as indicated in the GCF Funding Proposal.

### **Section C**

1. The expected Project Completion Date is 31 December 2028, and the Financing Closing Date shall be aligned with the Project Completion Date, or such other date agreed upon by both Parties.
2. Pursuant to Section 7.05 of the General Conditions, procurement of goods, works, and services financed by the Loans/Grant shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to Borrower/Recipient's procurement regulations and policies which the Borrower/Recipient, determines, in good faith, could have an effect on the Project.

### **Section D**

1. The Fund will administer the Loans and the Grant and supervise the Project.
2. As of the date of entry into force of this Agreement, the Borrower/Recipient represents and warrants that, with respect to the Grant:
  - a. during the implementation of the Project, it complied with all the applicable legislative and regulatory provisions with regards to the fight against money laundering and the financing of terrorism and the identification of customers, and carried out other similar verifications to which it may be required with regard to its legislative and regulatory provisions;
  - b. during the implementation of the Project, it has complied with its applicable anti-corruption laws;
  - c. it understands and accepts that IFAD may invite representatives of the GCF to participate in the supervision and other similar missions carried out by IFAD subject to applicable Vietnamese laws and regulations;
  - d. it understands and accepts that the GCF, in coordination with IFAD, may, at its own expense, i) carry out occasional audits on the use of the Grant Financing, ii) conduct ex post impact assessments; and/or iii) request the inclusion of impact assessment requirements subject to applicable Vietnamese laws and regulations;
  - e. it shall cooperate with IFAD and GCF in the event that GCF or a third party appointed by GCF assumes the contractual role of IFAD based on the terms of this Agreement;

- f. it understands and accepts that an independent auditor selected by IFAD shall conduct interim and final independent audit reports for the purposes of measuring the performance of the Project subject to applicable Vietnamese laws and regulations;
- g. it understands and accepts that a major restructuring of the Project may result in the GCF or IFAD requesting a new letter of no objection or new approvals from the relevant authority, or both, as applicable;
- h. any branding activity, including the use of either IFAD or GCF's name, mark, symbol or logo in any reports, publications, news media or related publicity materials as well as any other form of public information must be agreed in writing by IFAD and GCF;
- i. it is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is legally binding on and enforceable against the Recipient in accordance with its governing law;
- j. it shall have no right of action, whether in contract, tort or under statute to the extent permitted by law, against the GCF, including Board members, alternate Board members, the Executive Director, Staff and Experts, and/or any other person acting on behalf of the GCF in respect of the GCF Trust Account, the Grant or any loss or damage arising out of IFAD's acts or omissions, or the acts or omissions of its officers, employees, agents or consultants under or in connection with the implementation of the Grant; and
- k. it shall cause the province to implement the Project (only with respect to the Grant portion) in accordance with the Implementation Manual, which provides the relevant guidelines for Project implementation and is approved by the PPC subject to applicable laws.

## **Section E**

1. The following is designated as an additional ground for cancellation of the Loans/Grant by IFAD:
  - (a) In the event that the Borrower/Recipient did not request a disbursement of the Financing for a period of at least twelve (12) consecutive months without justification subsequent to the first eighteen (18) months from the Entry into Force of the Agreement.
2. The following are designated as additional grounds for suspension of the Grant by IFAD:
  - (a) The GCF has decided to suspend payments to IFAD, including but not limited to the GCF portion of the Financing; and
  - (b) The GCF has terminated the AMA or FAA.
3. The following is designated as an additional condition precedent to withdrawal:
  - (a) The Provincial Project Management Unit ("PPMU") shall have been established and the key Project staff (i.e. Project Director and Chief Accountant) shall have been selected.
4. This Agreement is subject to ratification by the Borrower/Recipient.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower/Recipient:

Deputy Minister of Finance  
28 Tran Hung Dao street  
Hanoi Viet Nam

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

Copy to:

Reehana Raza  
Regional Director  
Asia and the Pacific Region (APR)  
IFAD Regional Office APR c/o UNESCAP  
United Nations Building,  
Rajadamnern Nok Avenue,  
Bangkhunprom, Pranakorn,  
Bangkok 10200  
Thailand

Frew Behabtu  
Acting Country Director  
IFAD Office in Cambodia  
15<sup>th</sup> Floor, Exchange Square  
106 corner st.61  
Sangkat Wat Phnom  
Phnom Penh  
Cambodia

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower/Recipient.

SOCIALIST REPUBLIC OF VIET NAM

\_\_\_\_\_  
Tran Quoc Phuong  
Deputy Minister of Finance

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Alvaro Lario  
President

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### I. Project Description

1. *Project area.* The geographic area of the Project in Gia Lai comprises sixteen communes including Ia Lau, Ia Boong, Ia Pia, Ia Bang, Dak Somei, KDang, Kon Gang, SRO, Dak Song, Ia Rsai, Ia Dreh, Phu Tuc, Kon Chieng, Ayun, Hra and Lo Pang (the "Project Area").
2. *Goal.* The goal of the Project is to reduce Greenhouse Gas ("GHG" emissions from deforestation and forest degradation through addressing the drivers in the agriculture-forestry sector, promoting strategic and effective investments for restoration and sustainable management of forest area, empowering and improving the adaptability of the target communities and institutions for livelihood improvement, poverty reduction in communities and better response to climate change.
3. *Objectives.* The objective of the Project is to:
  - (i) support provincial authorities at all levels to develop policies to institutionalize national strategies and to concretize them into the development and implementation of plans to reduce emissions from deforestation, forest degradation and forest restoration efforts to create opportunities for improving livelihoods and raising community awareness.
  - (ii) studying an impact strategy and supporting the development of policies to address difficulties in the use of forest land for production;
  - (iii) supporting the development and promotion of value chains for deforestation-free products to ensure income from agricultural production for people in the Project area, reducing pressure for cultivation expansion which is the main cause of deforestation and forest degradation, and encouraging afforestation and increasing carbon stocks; and
  - (iv) renovating and upgrade public infrastructure for production, enhancing climate resilience and forest protection activities.
4. *Components.* The Project shall consist of the following Components:
  - 4.1 **Component 1: Viet Nam's REDD+ design pillars are fully upgraded and integrated into provincial policies & institutional frameworks with improved public-private-producer partnerships (4Ps: Product – Price – Distribution channels - Marketing) to operationalize REDD+:**
    - 4.1.1 *Sub-Component 1.1:* National REDD+ policies and mechanism upgraded to fulfil all required functions, including result-based payments ("RBP").
    - 4.1.2 *Sub-Component 1.2:* Provincial policies, legal and institutional frameworks, and stakeholder coordination mechanisms integrated with National REDD+ Action Plan ("NRAP").
  - 4.2 **Component 2: Emissions reductions from the Agriculture, Forestry and Other Land Use ("AFOLU") consequently to 4Ps' deforestation-free value chains & performance-based finance.**
    - 4.2.1 *Sub-Component 2.1:* Deforestation free value chains developed by 4Ps and increased access to finance.
    - 4.2.2 *Sub-Component 2.2:* Deforestation-free value chains and forest restoration infrastructure upgraded and established.
    - 4.2.3 *Sub-Component 2.3:* Collaborative Forest management capacity enhanced through performance-based incentives.

### **4.3 Component 3: Project management.**

#### **II. Implementation Arrangements**

##### *5. Project Management Unit.*

The Gia Lai PPMU is established under and reports directly to the Department of Finance. The PPMU is led by a Provincial Project Director. The PPMU is composed of three technical sections: (i) Strategic Management including dedicated staff for planning and monitoring/evaluation the Project activities and the social (gender, youth, ethnic minorities ("EM")) and environmental safeguards and REDD+ and climate adaptation activities, (ii) Infrastructure Management including a Non-deforestation Engineer to ensure adherence to social and environmental safeguards; and (iii) Financial Management.

##### *6. Monitoring and Evaluation.*

The Project's Monitoring and Evaluation "M&E" system will be designed to track and verify the levels of achievement of Project outputs, the associated outcomes, and the success in achieving the Project objective and its development goal.

## Schedule 2

### Allocation of Loans and Grant Proceeds

(a) Table 1 sets forth the Outcomes of Eligible Expenditures to be financed by the Loan/Grant and the allocation of the amounts to each Outcome of the Financing and the percentages of expenditures for items to be financed for each Outcome:

**Table 1**

<b>Outcome</b>	<b>IFAD-BRAM Loan Amount Allocated (expressed in USD)</b>	<b>IFAD-PBAS Loan Amount Allocated (expressed in USD)</b>	<b>GCF Grant Amount Allocated (expressed in USD)</b>	<b>Percentage*</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated (Outputs 1.1 & 1.2)			1 400 000	100%
Outcome 2: Deforestation Free VCs (Outputs 2.1&2.3)			4 350 000	100%
Outcome 2 Infrastructure (output 2.2)	7 430 000	6 570 000		
Project Management			250 000	100%
<b>TOTAL</b>	<b>7 430 000</b>	<b>6 570 000</b>	<b>6 000 000</b>	

\* The Percentage is applied to Project expenditures, excluding taxes and shares of other financiers.

(b) Table 2 presents eligible output expenditures for each Outcome shown in Table 1.

**Table 2**

<b>Outcome</b>	<b>BRAM Loan</b>	<b>PBAS Loan</b>	<b>GCF grant</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	-	-	Output 1.1, 1.2
Outcome 2: Deforestation Free VCs	Output 2.2	Output 2.2	Output 2.1, 2.3
Project Management	-	-	Output 3

### **Schedule 3**

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan/Grant Account if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Planning, Monitoring and Evaluation.* The PPMU shall ensure that (i) a Planning, Monitoring and Evaluation ("PM&E") system shall be established within twelve (12) months from the date of entry into force of this Agreement.
2. *Compliance with IFAD's Social Environmental and Climate Assessment Procedures ("SECAP 2021").* The Borrower/Recipient, through the Project, shall ensure that all Project activities are implemented in compliance with Viet Nam's Environmental Law and Land Law; and relevant Vietnamese and IFAD policies, including the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, and the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to its environmental and social policies or regulations that could, in good faith, affect project implementation.

## FINANCING AGREEMENT

Loan No (PBAS): 2000005742  
Grant No: 2000005706

Project name: *Achieving emission reduction in the Central Highlands and South Central Coast of Viet Nam to support National REDD+ Action Programme goals* in Khanh Hoa province ("RECAF"/ the "Project")

The Socialist Republic of Viet Nam (the "Borrower/Recipient")<sup>7</sup>

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and together the "Parties")

**WHEREAS**, the Borrower/Recipient has requested through its Ministry of Finance a loan and a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Project shall be co-financed by the Green Climate Fund ("GCF")

- A. On 24 September 2018, IFAD and the GCF concluded a Master Accreditation Agreement (the "AMA"), that entered into force on 09 November 2018 pursuant to which a Funding Activity Agreement was executed on 17 June 2025, and amended on 11 August 2025 (the "FAA") setting out the terms and conditions under which the GCF will transfer the GCF Funding to IFAD for the purposes of the implementation of the Project by the Borrower/Recipient. For the avoidance of doubt, any obligation of the Borrower/Recipient stemming from the AMA or FAA shall be specifically provided in this Agreement;
- B. By its decision GCF/B.40/02/Add.12 of 22 October 2024: Consideration of funding proposals, the GCF Board approved the Funding Proposal to finance *RECAF* as contained in GCF doc No. GCF/B.40/02/Add.12; and
- C. IFAD, in its capacity as trustee, opened a bank account to receive the GCF funds and hold them in trust (the "GCF Trust Account") and IFAD's liability in connection with this Agreement is limited to the assets of the GCF Trust Account.

**WHEREAS**, the Borrower/Recipient has undertaken to provide additional resources, financially or in kind that may be needed to the Project;

**WHEREAS**, the Borrower/Recipient shall cause the Khanh Hoa Provincial People's Committee ("PPC") to carry out the Project;

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

---

<sup>7</sup> For the avoidance of doubt, The Socialist Republic of Viet Nam shall be identified as Borrower specifically in the context of the Loan and as Recipient specifically in the context of the Grant. If the context entails both the Loan and Grant together, the term Borrower/Recipient shall be used accordingly.

## Section A

1. The following documents collectively form this Agreement: the main document including the preamble, recitals, and Sections A through E; the Project Description and Implementation Arrangements ("Schedule 1"); the Allocation Table ("Schedule 2"); and the Special Covenants ("Schedule 3").
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide a Loan and a Grant from the GCF (the "Financing") to the Borrower/Recipient, which the Borrower/Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.
4. In the event of a conflict between the General Conditions, if any, and the Financing Agreement, the latter shall prevail.

## Section B

1.
  - A. The amount of the IFAD loan is nine million nine hundred and seventy thousand United States dollars (USD 9 970 000) (the "Loan").
  - B. The amount of the GCF grant is five million five hundred thousand United States dollars (USD 5 500 000) (the "Grant").
2. The Fund shall credit the amount of the Grant into the Grant Account only when the funds have been received from the GCF, at which point the Fund will inform the Recipient. Any withdrawals from the Grant Account shall be subject to the condition that sufficient funds for the Project shall have been received by the Fund from the GCF and deposited in the Grant Account to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing. The Fund shall have no obligation to extend the Grant to the Recipient under this Agreement for the purpose of the Project if no funds are available in the Grant Account for the Project.
3. The Loan is granted on ordinary terms and shall be subject to interest on the principal amount outstanding at a rate equal to the IFAD Reference Interest Rate with variable spread, payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty-five (25) years, including a grace period of five (5) years starting from the date that the Fund has determined that all General Conditions precedent to withdrawal have been fulfilled in accordance with Section 4.02(b) of the General Conditions.
4. The Loan Service Payment Currency shall be in USD.
5. The first day of the applicable Fiscal Year shall be 1 January.
6. Payments of principal and interest shall be payable on each 15 June and 15 December.
7. There shall be two Designated Accounts in USD for the Grant and the Loan, respectively, for the exclusive use of the Project opened in a commercial bank. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.

8. The Borrower/Recipient shall cause the PPC to provide sufficient counterpart financing as indicated in the GCF Funding Proposal.

### **Section C**

1. The expected Project Completion Date is 31 December 2027 and the Financing Closing Date shall be aligned with the Project Completion Date, or such other date agreed upon by both Parties.

2. Pursuant to Section 7.05 of the General Conditions, procurement of goods, works and services financed by the Loan/Grant shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to Borrower/Recipient's procurement regulations, and policies which the Borrower/Recipient, determines, in good faith, could have an effect on the Project.

### **Section D**

1. The Fund will administer the Loan and the Grant and supervise the Project.
2. As of the date of entry into force of this Agreement, the Borrower/Recipient represents and warrants that, with respect to the Grant:
  - a. during the implementation of the Project, it complied with all the applicable legislative and regulatory provisions with regards to the fight against money laundering and the financing of terrorism and the identification of customers, and carried out other similar verifications to which it may be required with regard to its legislative and regulatory provisions;
  - b. during the implementation of the Project, it has complied with its applicable anti-corruption laws;
  - c. it understands and accepts that IFAD may invite representatives of the GCF to participate in the supervision and other similar missions carried out by IFAD subject to applicable Vietnamese laws and regulations;
  - d. it understands and accepts that the GCF, in coordination with IFAD, may, at its own expense, i) carry out occasional audits on the use of the Grant Financing; ii) conduct ex post impact assessments; and/or iii) request the inclusion of impact assessment requirements subject to applicable Vietnamese laws and regulations;
  - e. it shall cooperate with IFAD and GCF in the event that GCF or a third party appointed by GCF assumes the contractual role of IFAD based on the terms of this Agreement;
  - f. it understands and accepts that an independent auditor selected by IFAD shall conduct interim and final independent audit reports for the purposes of measuring the performance of the Project subject to applicable Vietnamese laws and regulations;
  - g. it understands and accepts that a major restructuring of the Project may result in the GCF or IFAD requesting a new letter of no objection or new approvals from the relevant authority, or both, as applicable;

- h. any branding activity, including the use of either IFAD or GCF's name, mark, symbol or logo in any reports, publications, news media or related publicity materials as well as any other form of public information must be agreed in writing by IFAD and GCF;
- i. it is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is legally binding on and enforceable against the Recipient in accordance with its governing law;
- j. it shall have no right of action, whether in contract, tort or under statute to the extent permitted by law, against the GCF, including Board members, alternate Board members, the Executive Director, Staff and Experts, and/or any other person acting on behalf of the GCF in respect of the GCF Trust Account, the Grant or any loss or damage arising out of IFAD's acts or omissions, or the acts or omissions of its officers, employees, agents or consultants under or in connection with the implementation of the Grant; and
- k. shall cause the province to implement the Project (only with respect to the Grant portion) in accordance with the applicable Implementation Manual, which provides the relevant guidelines for Project implementation and is approved by the PPC subject to applicable laws and regulations.

## **Section E**

1. The following is designated as an additional ground for cancellation of the Loan/Grant by IFAD:
  - (a) In the event that the Borrower/Recipient did not request a disbursement of the Financing for a period of at least twelve (12) consecutive months without justification subsequent to the first eighteen (18) months from the Entry into Force of the Agreement.
2. The following are designated as additional grounds for suspension of the Grant by IFAD:
  - (a) the GCF has decided to suspend payments to IFAD, including but not limited to the GCF portion of the Financing; and
  - (b) the GCF has terminated the AMA or FAA.
3. The following is designated as an additional condition precedent to withdrawal:
  - (a) The Provincial Project Management Unit ("PPMU") shall have been established and the key Project staff (i.e., Project Director and Chief Accountant) shall have been selected.
4. This Agreement is subject to ratification by the Borrower/Recipient.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower/Recipient:

Deputy Minister of Finance  
28 Tran Hung Dao street  
Hanoi Viet Nam

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

Copy to:

Reehana Raza  
Regional Director  
Asia and the Pacific Region (APR)  
IFAD Regional Office APR c/o UNESCAP  
United Nations Building,  
Rajadamnern Nok Avenue,  
Bangkhunprom, Pranakorn,  
Bangkok 10200  
Thailand

Frew Behabtu  
Acting Country Director  
IFAD Office in Cambodia  
15<sup>th</sup> Floor, Exchange Square  
106 corner st.61  
Sangkat Wat Phnom  
Phnom Penh  
Cambodia

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the [Borrower/Recipient].

SOCIALIST REPUBLIC OF VIET NAM

\_\_\_\_\_  
Tran Quoc Phuong  
Deputy Minister of Finance

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Alvaro Lario  
President

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### I. Project Description

1. *Project area.* The geographic area of the Project in *Khanh Hoa* comprises twelve communes including Bac Ai Tay, Bac Ai, Bac Ai Dong, My Son, Anh Dung, Lam Son, Ninh Son, Vinh Hai, Xuan Hai, Cong Hai, Thuan Bac and Ninh Hai (the "Project Area").
2. *Goal.* The goal of the Project is to reduce Greenhouse Gas ("GHG") emissions from deforestation and forest degradation through addressing the drivers in the agriculture-forestry sector, promoting strategic and effective investments for restoration and sustainable management of forest area, empowering and improving the adaptability of the target communities and institutions for livelihood improvement, poverty reduction in communities and better response to climate change.
3. *Objectives.* The objective of the Project is to:
  - (i) support provincial authorities at all levels to develop policies to institutionalize national strategies and to concretize them into the development and implementation of plans to reduce emissions from deforestation, forest degradation and forest restoration efforts to create opportunities for improving livelihoods and raising community awareness.
  - (ii) Studying an impact strategy and supporting the development of policies to address difficulties in the use of forest land for production;
  - (iii) Supporting the development and promotion of value chains for deforestation-free products to ensure income from agricultural production for people in the Project area, reducing pressure for cultivation expansion which is the main cause of deforestation and forest degradation, and encouraging afforestation and increasing carbon stocks; and
  - (iv) New investment, renovating and upgrading public infrastructure for production, enhancing climate resilience and forest protection activities.
4. *Components.* The Project shall consist of the following Components:
  - 4.1 Component 1: Promoting policies and institutional environment for planning and implementing emissions reductions.**
    - 4.1.1 *Sub-Component 1.1:* Improving provincial policies and coordination mechanism for deforestation reduction and climate change adaptation.
    - 4.1.2 *Sub-Component 1.2:* Improving national policies and implementation capacity, investing in REDD+.
  - 4.2 Component 2: Developing deforestation-free and climate resilient rural economics**
    - 4.2.1 *Sub-Component 2.1:* Developing and promoting deforestation-free product value chains taking into account commodity and nutrition sensitiveness through improvement of access to credit.
    - 4.2.2 *Sub-Component 2.2:* Establishing and operating climate resilient infrastructure for the value chains and forest protection activities.
    - 4.2.3 *Sub-Component 2.3:* Strengthening cooperation on forest management with effective benefit sharing.
  - 4.3 Component 3: Project management.**

## **II. Implementation Arrangements**

### **5. *Project Management Unit.***

The Khanh Hoa PPMU is established under and reports directly to the Provincial People's Committee. The PPMU is led by a Provincial Project Director. The PPMU is composed of three technical sections: (i) Strategic Management including dedicated staff for planning and monitoring/evaluation the Project activities and the social (gender, youth, ethnic minorities ("EM")) and environmental safeguards and REDD+ and climate adaptation activities, (ii) Infrastructure Management including a Non-deforestation Engineer to ensure adherence to social and environmental safeguards; and (iii) Financial Management.

### **6. *Monitoring and Evaluation.***

The Project's Monitoring and Evaluation ("M&E") system will be designed to track and verify the levels of achievement of Project outputs, the associated outcomes, and the success in achieving the Project objective and its development goal.

## Schedule 2

### Allocation of Loan and Grant Proceeds

(a) Table 1 sets forth the Outcomes of Eligible Expenditures to be financed by the Loan/Grant and the allocation of the amounts to each Outcome of the Financing and the percentages of expenditures for items to be financed for each Outcome:

**Table 1**

<b>Outcome</b>	<b>IFAD Loan Amount Allocated (expressed in USD)</b>	<b>GCF Grant Amount Allocated (expressed in USD)</b>	<b>Percentage*</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated		2 110 000	100%
Outcome 2: Deforestation Free VCs (outputs 2.1 & 2.3)		3 140 000	100%
Outcome 2: Infrastructure (output 2.2)	9 970 000		
Project Management		250 000	100%
<b>TOTAL</b>	<b>9 970 000</b>	<b>5 500 000</b>	

\* The Percentage is applied to Project expenditures, excluding taxes and shares of other financiers.

(b) Table 2 presents eligible output expenditures for each Outcome shown in Table 1.

**Table 2**

<b>Outcome</b>	<b>IFAD Loan</b>	<b>GCF grant</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	-	Output 1.1, 1.2
Outcome 2: Deforestation Free VCs	Output 2.2	Output 2.1, 2.3
Project Management	-	Output 3

### **Schedule 3**

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan/Grant Account if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Planning, Monitoring and Evaluation.* The PPMU shall ensure that (i) a Planning, Monitoring and Evaluation ("PM&E") system shall be established within twelve (12) months from the date of entry into force of this Agreement.
2. Compliance with IFAD's Social Environmental and Climate Assessment Procedures ("SECAP 2021"). The Borrower/Recipient, through the Project, shall ensure that all Project activities are implemented in compliance with Viet Nam's Environmental Law and Land Law; and relevant Vietnamese and IFAD policies, including the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, and the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to its environmental and social policies or regulations that could, in good faith, affect project implementation.

## FINANCING AGREEMENT

Loan No (PBAS): 2000005744

Grant No: 2000005707

Project name: *Achieving emission reduction in the Central Highlands and South Central Coast of Viet Nam to support National REDD+ Action Programme goals in Dak Lak province* ("RECAF"/ the "Project")

The Socialist Republic of Viet Nam (the "Borrower/Recipient")<sup>8</sup>

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and together the "Parties")

**WHEREAS**, the Borrower/Recipient has requested through its Ministry of Finance, a loan and a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Project shall be co-financed by the Green Climate Fund ("GCF").

- A. On 24 September 2018, IFAD and the GCF concluded a Master Accreditation Agreement (the "AMA"), that entered into force on 09 November 2018 pursuant to which a Funding Activity Agreement was executed on 17 June 2025, and amended on 11 August 2025 (the "FAA") setting out the terms and conditions under which the GCF will transfer the GCF Funding to IFAD for the purposes of the implementation of the Project by the Borrower/Recipient. For the avoidance of doubt, any obligation of the Borrower/Recipient stemming from the AMA or the FAA shall be specifically provided in this Agreement;
- B. By its decision GCF/B.40/02/Add.12 of 22 October 2024: Consideration of funding proposals, the GCF Board approved the Funding Proposal to finance *RECAF* as contained in GCF doc No. GCF/B.40/02/Add.12; and
- C. IFAD, in its capacity as trustee, opened a bank account to receive the GCF funds and hold them in trust (the "GCF Trust Account") and IFAD's liability in connection with this Agreement is limited to the assets of the GCF Trust Account.

**WHEREAS**, the Borrower/Recipient has undertaken to provide additional resources, financially or in kind that may be needed to the Project;

**WHEREAS**, the Borrower/Recipient shall cause the Dak Lak Provincial People's Committee ("PPC") to carry out the Project;

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

---

<sup>8</sup> For the avoidance of doubt, The Socialist Republic of Viet Nam shall be identified as Borrower specifically in the context of the Loan and as Recipient specifically in the context of the Grant. If the context entails both the Loan and Grant together, the term Borrower/Recipient shall be used accordingly.

## Section A

1. The following documents collectively form this Agreement: the main document including the preamble, recitals, and Sections A through E; the Project Description and Implementation Arrangements ("Schedule 1"); the Allocation Table ("Schedule 2"); and the Special Covenants ("Schedule 3").
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide a Loan and a Grant from the GCF (the "Financing") to the Borrower/Recipient, which the Borrower/Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.
4. In the event of a conflict between the General Conditions, if any, and the Financing Agreement, the latter shall prevail.

## Section B

1.
  - A. The amount of the IFAD loan is eight million four hundred and sixty thousand United States dollars (USD 8 460 000) (the "Loan").
  - B. The amount of the GCF grant is six million four hundred thousand United States dollars (USD 6 400 000) (the "Grant").
2. The Fund shall credit the amount of the Grant into the Grant Account only when the funds have been received from the GCF, at which point the Fund will inform the Recipient. Any withdrawals from the Grant Account shall be subject to the condition that sufficient funds for the Project shall have been received by the Fund from the GCF and deposited in the Grant Account to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing. The Fund shall have no obligation to extend the Grant to the Recipient under this Agreement for the purpose of the Project if no funds are available in the Grant Account for the Project.
3. The Loan is granted on ordinary terms and shall be subject to interest on the principal amount outstanding at a rate equal to the IFAD Reference Interest Rate with variable spread, payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty-five (25) years, including a grace period of five (5) years starting from the date that the Fund has determined that all General Conditions precedent to withdrawal have been fulfilled in accordance with Section 4.02(b) of the General Conditions.
4. The Loan Service Payment Currency shall be USD.
5. The first day of the applicable Fiscal Year shall be 1 January.
6. Payments of principal and interest shall be payable on each 15 June and 15 December.
7. There shall be two Designated Accounts in USD, for the Loan and the Grant, respectively, for the exclusive use of the Project opened in a commercial bank. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.

8. The Borrower/Recipient shall cause the PPC to provide sufficient counterpart financing as indicated in the GCF Funding Proposal.

### **Section C**

1. The expected Project Completion Date is 31 December 2028 and the Financing Closing Date shall be aligned with the Project Completion Date, or such other date agreed upon by both Parties.

2. Pursuant to Section 7.05 of the General Conditions, procurement of goods, works, and services financed by the Loan/Grant shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to the Borrower/Recipient's procurement regulations and policies, which the Borrower/Recipient determines, in good faith, could have an effect on the Project.

### **Section D**

1. The Fund will administer the Loan and the Grant and supervise the Project.

2. As of the date of entry into force of this Agreement, the Borrower/Recipient represents and warrants that, with respect to the Grant:

- a. during the implementation of the Project, it complied with all the applicable legislative and regulatory provisions with regards to the fight against money laundering and the financing of terrorism and the identification of customers, and carried out other similar verifications to which it may be required with regard to its legislative and regulatory provisions;
- b. during the implementation of the Project, it has complied with its applicable anti-corruption laws;
- c. it understands and accepts that IFAD may invite representatives of the GCF to participate in the supervision and other similar missions carried out by IFAD, subject to applicable Vietnamese laws and regulations;
- d. it understands and accepts that the GCF, in coordination with IFAD, may, at its own expense, i) carry out occasional audits on the use of the Grant Financing; ii) conduct ex post impact assessments; and/or iii) request the inclusion of impact assessment requirements, subject to applicable Vietnamese laws and regulations;
- e. it shall cooperate with IFAD and GCF in the event that GCF or a third party appointed by GCF assumes the contractual role of IFAD based on the terms of this Agreement;
- f. it understands and accepts that an independent auditor selected by IFAD shall conduct interim and final independent audit reports for the purposes of measuring the performance of the Project, subject to applicable Vietnamese laws and regulations;
- g. it understands and accepts that a major restructuring of the Project may result in the GCF or IFAD requesting a new letter of no objection or new approvals from the relevant authority, or both, as applicable;

- h. any branding activity, including the use of either IFAD or GCF's name, mark, symbol or logo in any reports, publications, news media or related publicity materials as well as any other form of public information must be agreed in writing by IFAD and GCF;
- i. it is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is legally binding on and enforceable against the Recipient in accordance with its governing law;
- j. it shall have no right of action, whether in contract, tort or under statute to the extent permitted by law, against the GCF, including Board members, alternate Board members, the Executive Director, Staff and Experts, and/or any other person acting on behalf of the GCF in respect of the GCF Trust Account, the Grant or any loss or damage arising out of IFAD's acts or omissions, or the acts or omissions of its officers, employees, agents or consultants under or in connection with the implementation of the Grant; and
- k. shall cause the province to implement the Project (only with respect to the Grant portion) in accordance with the applicable Implementation Manual, which provides the relevant guidelines for Project implementation and is approved by the PPC and subject to applicable laws and regulations.

## **Section E**

1. The following is designated as an additional ground for cancellation of the Loan/Grant by IFAD:
  - (a) In the event that the Borrower/Recipient did not request a disbursement of the Financing for a period of at least twelve (12) consecutive months without justification subsequent to the first eighteen (18) months from the Entry into Force of the Agreement.
2. The following are designated as additional grounds for suspension of the Grant by IFAD:
  - (a) the GCF has decided to suspend payments to IFAD, including but not limited to the GCF portion of the Financing; and
  - (b) the GCF has terminated the AMA or FAA.
3. The following is designated as an additional condition precedent to withdrawal:
  - (a) The Provincial Project Management Unit ("PPMU") shall have been established and the key Project staff (i.e., Project Director and Chief Accountant) shall have been selected.
4. This Agreement is subject to ratification by the Borrower/Recipient.
5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower/Recipient:

Deputy Minister of Finance  
28 Tran Hung Dao street

Hanoi Viet Nam

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

Copy to:

Reehana Raza  
Regional Director  
Asia and the Pacific Region (APR)  
IFAD Regional Office APR c/o UNESCAP  
United Nations Building,  
Rajadamnern Nok Avenue,  
Bangkhunprom, Pranakorn,  
Bangkok 10200  
Thailand

Frew Behabtu  
Acting Country Director  
IFAD Office in Cambodia  
15<sup>th</sup> Floor, Exchange Square  
106 corner st.61  
Sangkat Wat Phnom  
Phnom Penh  
Cambodia

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Borrower/Recipient and one (1) for the Fund.

SOCIALIST REPUBLIC OF VIET NAM

\_\_\_\_\_  
Tran Quoc Phuong  
Deputy Minister of Finance

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Alvaro Lario  
President

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### I. Project Description

1. *Project area.* The geographic area of the Project in Dak Lak comprises eleven communes including Ea O, Cu Yang, Ea Pal, Krong A, Ea Trang, Yang Mao, Cu Pui, Lien Son Lak, Nam Ka, Dak Phoi and Krong No (the "Project Area").
2. *Goal.* The goal of the Project is to reduce Greenhouse Gas ("GHG") emissions from deforestation and forest degradation through addressing the drivers in the agriculture-forestry sector, promoting strategic and effective investments for restoration and sustainable management of forest area, empowering and improving the adaptability of the target communities and institutions for livelihood improvement, poverty reduction in communities and better response to climate change.
3. *Objectives.* The objective of the Project is to:
  - (i) support provincial authorities at all levels to develop policies to institutionalize national strategies and to concretize them into the development and implementation of plans to reduce emissions from deforestation, forest degradation and forest restoration efforts to create opportunities for improving livelihoods and raising community awareness.
  - (ii) studying an impact strategy and supporting the development of policies to address difficulties in the use of forest land for production;
  - (iii) supporting the development and promotion of value chains for deforestation-free products to ensure income from agricultural production for people in the Project area, reducing pressure for cultivation expansion which is the main cause of deforestation and forest degradation, and encouraging afforestation and increasing carbon stocks; and
  - (iv) renovating and upgrading public infrastructure for production, enhancing climate resilience and forest protection activities.
4. *Components.* The Project shall consist of the following Components:
  - 4.1 **Component 1: Viet Nam's REDD+ design pillars are fully upgraded and integrated into provincial policies & institutional frameworks with improved public-private-producer partnerships (4Ps: Product – Price – Distribution channels – Marketing) to operationalize REDD+.**
    - 4.1.1 *Sub-Component 1.1:* National REDD+ policies and mechanism upgraded to fulfil all required functions, including result-based payments ("RBP") (Refining national policies and REDD+ mechanism to implement *all required functions, including afforestation*).
    - 4.1.2 *Sub-Component 1.2:* Provincial policies, legal and institutional frameworks, and stakeholder coordination mechanisms integrated with National REDD+ Action Plan ("NRAP").
  - 4.2 **Component 2: Emissions reductions from the Agriculture, Forestry and Other Land Use ("AFOLU") consequently to 4Ps' deforestation-free value chains & performance-based finance.**
    - 4.2.1 *Sub-Component 2.1:* Deforestation free value chains developed by 4Ps and increased access to finance.
    - 4.2.2 *Sub-Component 2.2:* Establish and upgrade deforestation-free value chains and forest restoration infrastructure.
    - 4.2.3 *Sub-Component 2.3:* Collaborative Forest management capacity enhanced through performance-based incentives.

### **4.3 Component 3: Project management.**

## **II. Implementation Arrangements**

### *5. Project Management Unit.*

The Dak Lak PPMU is established under and reports directly to the Department of Agriculture and Environment. The PPMU is led by a fulltime or seconded part-time Provincial Project Director. In case the Provincial Project Director has specific expertise or specialization, the Deputy Provincial Project Director should be qualified to support the Provincial Project Director to ensure effective Project implementation. The PPMU is composed of three technical sections: (i) Strategic Management including dedicated staff for planning and monitoring/evaluation the Project activities and the social (gender, youth, ethnic minorities ("EM")) and environmental safeguards and REDD+ and climate adaptation activities, (ii) Infrastructure Management including a Non-deforestation Engineer to ensure adherence to social and environmental safeguards; and (iii) Financial Management.

### *6. Monitoring and Evaluation.*

The Project's Monitoring and Evaluation ("M&E") system will be designed to track and verify the levels of achievement of Project outputs, the associated outcomes, and the success in achieving the Project objective and its development goal.

**Schedule 2***Allocation of Loan and Grant Proceeds*

(a) Table 1 sets forth the Outcomes of Eligible Expenditures to be financed by the Loan/Grant and the allocation of the amounts to each Outcome of the Financing and the percentages of expenditures for items to be financed for each Outcome:

**Table 1**

<b>Outcome</b>	<b>IFAD Loan Amount Allocated (expressed in USD)</b>	<b>GCF Grant Amount Allocated (expressed in USD)</b>	<b>Percentage*</b>
Outcome1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated (output 1.1 & 1.2)		1 900 000	100%
Outcome2: Deforestation Free VCs(output 2.1 & 2.3)		4 250 000	100%
Outcome 2: Infrastructure (output2.2)	8 460 000		100%
Project Management		250 000	100%
<b>TOTAL</b>	<b>8 460 000</b>	<b>6 400 000</b>	

\* The Percentage is applied to Project expenditures, excluding taxes and shares of other financiers.

(b) Table 2 presents eligible output expenditures for each Outcome shown in Table 1.

**Table 2**

<b>Outcome</b>	<b>IFAD Loan</b>	<b>GCF grant</b>
Outcome1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	-	Output1.1, 1.2
Outcome2: Deforestation Free VCs	Output2.2	Output2.1, 2.3
Project Management	-	Output3

### **Schedule 3**

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan/Grant Account if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Planning, Monitoring and Evaluation.* The PPMU shall ensure that (i) a Planning, Monitoring and Evaluation ("PM&E") system shall be established within twelve (12) months from the date of entry into force of this Agreement.
2. *Compliance with IFAD's Social Environmental and Climate Assessment Procedures ("SECAP 2021").* The Borrower/Recipient, through the Project, shall ensure that all Project activities are implemented in compliance with Viet Nam's Environmental Law and Land Law; and relevant Vietnamese and IFAD policies, including the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, and the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to its environmental and social policies or regulations that could, in good faith, affect project implementation.

## FINANCING AGREEMENT

Grant No: 2000005708

Project name: *Achieving emission reduction in the Central Highlands and South Central Coast of Viet Nam to support National REDD+ Action Programme* goals in Lam Dong province (the "RECAF"/the "Project")

The Socialist Republic of Viet Nam (the "Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and together the "Parties")

**WHEREAS**, the Recipient has requested a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Project shall be financed by the Green Climate Fund ("GCF").

- A. On 24 September 2018, IFAD and the GCF concluded a Master Accreditation Agreement (the "AMA"), that entered into force on 09 November 2018 pursuant to which a Funding Activity Agreement was executed on 17 June 2025, and amended on 11 August 2025 (the "FAA") setting out the terms and conditions under which the GCF will transfer the GCF Funding to IFAD for the purposes of the implementation of the Project by the Recipient. For the avoidance of doubt, any obligation of the Recipient stemming from the AMA or the FAA shall be specifically provided in this Agreement;
- B. By its decision GCF/B.40/02/Add.12 of 22 October 2024: Consideration of funding proposals, the GCF Board approved the Funding Proposal to finance *RECAF* as contained in GCF doc No. GCF/B.40/02/Add.12; and
- C. IFAD, in its capacity as trustee, opened a bank account to receive the GCF funds and hold them in trust (the "GCF Trust Account") and IFAD's liability in connection with this Agreement is limited to the assets of the GCF Trust Account.

**WHEREAS** the Recipient has undertaken to provide additional resources, financially or in kind that may be needed to the Project;

**WHEREAS**, the Recipient shall cause the Lam Dong Provincial People's Committee ("PPC") to carry out the Project;

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

## Section A

1. The following documents collectively form this Agreement: the main document including the preamble, recitals, and Sections A through E; the Project Description and Implementation Arrangements ("Schedule 1"); the Allocation Table ("Schedule 2"); and the Special Covenants ("Schedule 3").
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide a Grant from the GCF (the "Financing") to the Recipient, which the Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.
4. In the event of a conflict between the General Conditions, if any, and the Financing Agreement, the latter shall prevail.

## Section B

1. The amount of the GCF grant is nine million six hundred thousand United States dollars (USD 9 600 000).<sup>9</sup>
2. The Fund shall credit the amount of the Grant into the Grant Account only when the funds have been received from the GCF, at which point the Fund will inform the Recipient. Any withdrawals from the Grant Account shall be subject to the condition that sufficient funds for the Project shall have been received by the Fund from the GCF and deposited in the Grant Account to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing. The Fund shall have no obligation to extend the Grant to the Recipient under this Agreement for the purpose of the Project if no funds are available in the Grant Account for the Project.
3. The first day of the applicable Fiscal Year shall be 1 January.
4. There shall be two Designated Accounts in USD, operated by the Provincial Project Management Units (PPMU1 and PPMU2), for the Grant, for the exclusive use of the Project opened in a commercial bank. The Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.
5. The Recipient shall cause the Province People Committee ("PPC") to provide sufficient counterpart financing as indicated in the GCF Funding Proposal.

## Section C

1. The Project Completion Date shall be 31 December 2030, and the Financing Closing Date shall be aligned with the Project Completion Date, or such other date agreed upon by both Parties.
2. Pursuant to Section 7.05 of the General Conditions, procurement of goods, works, and services financed by the Grant shall be carried out in accordance with the provisions

---

<sup>9</sup> This amount includes the GCF grant initially allocated to the former Dak Nong Province and the former Lam Dong Province in the amounts of USD 5,100,000 and USD 4,500,000, respectively.

of the Recipient's procurement regulations. The Recipient shall ensure that IFAD is promptly notified of any change to the Recipient's procurement regulations and policies, which the Recipient determines, in good faith, could have an effect on the Project.

#### **Section D**

1. The Fund will administer the Grant and supervise the Project.
2. As of the date of entry into force of this Agreement, the Recipient represents and warrants that, with respect to the Grant:
  - a. during the implementation of the Project, it complied with all the applicable legislative and regulatory provisions with regards to the fight against money laundering and the financing of terrorism and the identification of customers, and carried out other similar verifications to which it may be required with regard to its legislative and regulatory provisions;
  - b. during the implementation of the Project, it has complied with the applicable anti-corruption laws;
  - c. it understands and accepts that IFAD may invite representatives of the GCF to participate in the supervision and other similar missions carried out by IFAD subject to applicable Vietnamese laws and regulations;
  - d. it understands and accepts that the GCF, in coordination with IFAD, may, at its own expense, i) carry out occasional audits on the use of the Financing, ii) conduct ex post impact assessments; and/or iii) request the inclusion of impact assessment requirements, subject to applicable Vietnamese laws and regulations;
  - e. it shall cooperate with IFAD and GCF in the event that GCF or a third party appointed by GCF may assume the contractual role of IFAD based on the terms of this Agreement;
  - f. it understands and accepts that an independent auditor selected by IFAD shall conduct interim and final independent audit reports for the purposes of measuring the performance of the Project, subject to applicable Vietnamese laws and regulations;
  - g. it understands and accepts that a major restructuring of the Project may result in the GCF or IFAD requesting a new letter of no objection or new approvals from the relevant authority, or both, as applicable;
  - h. any branding activity, including the use of either IFAD or GCF's name, mark, symbol or logo in any reports, publications, news media or related publicity materials as well as any other form of public information must be agreed in writing by IFAD and GCF;
  - i. it is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is legally binding on and enforceable against the Recipient in accordance with its governing law;
  - j. it shall have no right of action, whether in contract, tort or under statute to the extent permitted by law, against the GCF, including Board members, alternate Board members, the Executive Director, Staff and Experts, and/or any other person acting on behalf of the GCF in respect of the GCF Trust Account, the

Funded Activity or any loss or damage arising out of IFAD's acts or omissions, or the acts or omissions of its officers, employees, agents or consultants under or in connection with the implementation of the Grant; and

- k. it shall cause the province to implement the Project in accordance with the applicable Implementation Manual, which provides the relevant guidelines for Project implementation and is approved by the PPC subject to applicable laws and regulations.

## **Section E**

1. The following is designated as an additional ground for cancellation of the Financing by IFAD:

- (a) In the event that the Recipient did not request a disbursement of the Financing for a period of at least twelve (12) consecutive months without justification subsequent to the first eighteen (18) months from the Entry into Force of the Agreement.

2. The following are designated as additional grounds for suspension of the Grant by IFAD:

- (a) The GCF has decided to suspend payments to IFAD, including but not limited to GCF Financing; and
- (b) The GCF has terminated the AMA or FAA.

3. The following is designated as an additional condition precedent to withdrawal:

- (a) The Provincial Project Management Units ("PPMUs") shall have been established and the key Project staff (i.e. Project Director and Chief Accountant) shall have been selected.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Deputy Minister of Finance  
28 Tran Hung Dao street  
Hanoi  
Viet Nam

For the Fund:

Reehana Raza  
Regional Director  
Asia and the Pacific Region (APR)  
IFAD Regional Office APR  
c/o UNESCAP  
United Nations Building,  
Rajadamnern Nok Avenue,  
Bangkhunprom, Pranakorn,  
Bangkok 10200 Thailand

Copy to:

Ambrosio Barros  
Country Representative and Director, Viet Nam  
Mekong Multi-country Office  
Room 205-206, Building 2G  
Van Phuc Diplomatic Compound  
298 Kim Ma street  
Hanoi, Viet Nam

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the [Recipient] and one (1) for the Fund.

SOCIALIST REPUBLIC OF VIET NAM

\_\_\_\_\_  
Tran Quoc Phuong  
Deputy Minister of Finance

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Juan Carlos Mendoza Casadiegos  
Director  
Environment, Climate, Gender and Social Inclusion Division

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### I. Project Description

1. *Project area.* The geographic area of the Project in Lam Dong comprises thirty seven communes (the "Project Area") including:
  - The communes of Dinh Van Lam Ha, Phu Son Lam Ha, Nam Ha Lam Ha, Nam Ban Lam Ha, Tan Ha Lam Ha, Phuc Tho Lam Ha, Dam Rong 1, Dam Rong 2, Dam Rong 3, Dam Rong 4, Di Linh, Hoa Ninh, Hoa Bac, Dinh Trang Thuong, Bao Thuan, Son Dien, Gia Hiep, Bao Lam 1, Bao Lam 2, Bao Lam 3, Bao Lam 4 and Bao Lam 5 in the former Lam Dong province.
  - The communes of Nam Da, Krong No, Nam Nung, Quang Phu, Dak Song, Thuan Hanh, Duc An, Truong Xuan, Quang Truc, Quang Tan, Tuy Duc, Quang Son, Quang Khe, Ta Dung and Quang Hoa under former Dak Nong province.
2. *Goal.* The goal of the Project is to reduce Greenhouse Gas ("GHG") emissions from the Agriculture, Forestry and Other Land Use sector ("AFOLU"), contributing to the sustainable and climate-resilient development of forest-dependent communities.
3. *Objectives.* The objective of the Project is to:
  - (i) Improve capacity, knowledge and techniques in implementation of the state policies on National REDD+ Action Plan ("NRAP"), integrating in provincial social-economic development plan, creating a premise to increase income, reduce vulnerability to climate change, promote payment for forest environmental services and forest management cooperation;
  - (ii) Increase income from value chain activities without harming forests, provide low-carbon credit services to reduce deforestation from agricultural encroachment in combination with forest protection; and
  - (iii) Promote payment mechanism for forest environmental service and aim at strengthening carbon storage and deforestation-free supply chains in order to conserve forests combined with sustainable poverty reduction.
4. *Components.* The Project shall consist of the following Components:
  - 4.1 **Component 1: Viet Nam's REDD+ design pillars are fully upgraded and integrated into provincial policies & institutional frameworks with improved public-private-producer partnerships (4Ps: Product – Price – Distribution channels – Marketing) to operationalize REDD+.**
    - 4.1.1 *Sub-Component 1.1:* National REDD+ policies and mechanism upgraded to fulfil all required functions, including afforestation.
    - 4.1.2 *Sub-Component 1.2:* Provincial policies, legal and institutional frameworks, and stakeholder coordination mechanisms integrated with National REDD+ Action Plan ("NRAP").
  - 4.2 **Component 2: Emissions reductions from the AFOLU consequently to 4Ps' deforestation-free value chains & performance-based finance.**
    - 4.2.1 *Sub-Component 2.1:* Deforestation free value chains developed by 4Ps and increased access to finance.
    - 4.2.2 *Sub-Component 2.2:* Collaborative Forest management capacity enhanced through performance-based incentives.
  - 4.3 **Component 3: Project management, monitoring and evaluation.**

## **II. Implementation Arrangements**

### **5. *Project Management Unit.***

The Lam Dong Provincial Project Management Units (PPMUs) includes PPMU1 (composed of PPMU in the former Lam Dong province) and PPMU2 (composed of PPMU in the former Dak Nong province).

PPMU1 and PPMU2 report directly to the Provincial Department of Agriculture and Environment. Each PPMU is led by a full-time or part-time Provincial Project Director. The PPMU is led by a Provincial Project Director. The PPMU is composed of three technical sections: (i) Strategic Management including dedicated staff for planning and monitoring/evaluation the Project activities and the social (gender, youth, ethnic minorities ("EM")) and environmental safeguards and REDD+ and climate adaptation activities, (ii) Infrastructure Management including a Non-deforestation Engineer to ensure adherence to social and environmental safeguards; and (iii) Financial Management.

### **6. *Monitoring and Evaluation.***

The Project's Monitoring and Evaluation "M&E" system will be designed to track and verify the levels of achievement of Project outputs, the associated outcomes, and the success in achieving the Project objective and its development goal.

**Schedule 2***Allocation of Grant Proceeds*

(a) Table 1 sets forth the Outcomes of Eligible Expenditures to be financed by the Grant and the allocation of the amounts to each Outcome of the Financing and the percentages of expenditures for items to be financed for each Outcome:

**Table 1**

<b>Outcome</b>	<b>GCF Grant Amount Allocated (in USD)</b>	<b>GCF Grant for former Lam Dong (in USD)</b>	<b>GCF Grant for former Dak Nong (in USD)</b>	<b>Percentage*</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	2 280 000	1 400 000	880 000	100%
Outcome 2: Deforestation Free VCs output 2.1 & 2.3)	6 820 000	2 850 000	3 970 000	100%
Project Management	500 000	250 000	250 000	100%
<b>TOTAL</b>	<b>9 600 000</b>	<b>4 500 000</b>	<b>5 100 000</b>	

\* The Percentage is applied to Project expenditures, excluding taxes and shares of other financiers.

(b) Table 2 presents eligible output expenditures for each Outcome shown in Table 1.

**Table 2**

<b>Outcome</b>	<b>GCF grant</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	Output 1.1, 1.2
Outcome 2: Deforestation Free VCs	Output 2.1, 2.2, 2.3
Project Management	Output 3

### **Schedule 3**

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Grant Account if the Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Planning, Monitoring and Evaluation.* The PPMU shall ensure that a Planning, Monitoring and Evaluation ("PM&E") system shall be established within twelve (12) months from the date of entry into force of this Agreement.
2. *Compliance with IFAD's Social Environmental and Climate Assessment Procedures ("SECAP 2021").* The Borrower/Recipient, through the Project, shall ensure that all Project activities are implemented in compliance with Viet Nam's Environmental Law and Land Law; and relevant Vietnamese and IFAD policies, including the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, and the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. The Borrower/Recipient shall ensure that IFAD is promptly notified of any changes to its environmental and social policies or regulations that could, in good faith, affect project implementation.

## FINANCING AGREEMENT

Grant No: 2000005709

Project name: *Achieving emission reduction in the Central Highlands and South Central Coast of Viet Nam to support National REDD+ Action Programme goals* (the "RECAF"/the "Project")

The Socialist Republic of Viet Nam through the Ministry of Agriculture and Environment (the "Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and together the "Parties")

**WHEREAS**, the Recipient has requested a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Project shall be financed by the Green Climate Fund ("GCF").

- A. On 24 September 2018, IFAD and the GCF concluded a Master Accreditation Agreement (the "AMA"), that entered into force on 09 November 2018 pursuant to which a Funding Activity Agreement was executed on 17 June 2025, and amended on 11 August 2025 (the "FAA") setting out the terms and conditions under which the GCF will transfer the GCF Funding to IFAD for the purposes of the implementation of the Project by the Recipient. For the avoidance of doubt, any obligation of the Recipient stemming from the AMA or the FAA shall be specifically provided in this Agreement;
- B. By its decision GCF/B.40/02/Add.12 of 22 October 2024: Consideration of funding proposals, the GCF Board approved the Funding Proposal to finance *RECAF* as contained in GCF doc No. GCF/B.40/02/Add.12; and
- C. IFAD, in its capacity as trustee, opened a bank account to receive the GCF funds and hold them in trust (the "GCF Trust Account") and IFAD's liability in connection with this Agreement is limited to the assets of the GCF Trust Account.

**WHEREAS**, the Recipient has undertaken to provide additional resources, financially or in kind that may be needed to the Project;

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

### Section A

1. The following documents collectively form this Agreement: the main document including the preamble, recitals, and Sections A through E; the Project Description and Implementation Arrangements ("Schedule 1"); the Allocation Table ("Schedule 2"); and the Special Covenants ("Schedule 3").

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of

this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Grant from the GCF (the "Financing") to the Recipient, which the Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.
4. In the event of a conflict between the General Conditions, if any, and the Financing Agreement, the latter shall prevail.

## **Section B**

1. The amount of the GCF grant is seven million five hundred thousand United States dollars (USD 7 500 000) (the "Grant").
2. The Fund shall credit the amount of the Grant into the Grant Account only when the funds have been received from the GCF, at which point the Fund will inform the Recipient. Any withdrawals from the Grant Account shall be subject to the condition that sufficient funds for the Project shall have been received by the Fund from the GCF and deposited in the Grant Account to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing. The Fund shall have no obligation to extend the Grant to the Recipient under this Agreement for the purpose of the Project if no funds are available in the Grant Account for the Project.
3. The first day of the applicable Fiscal Year shall be 1 January.
4. There shall be one Designated Account in USD, for the Grant, for the exclusive use of the Project opened in a commercial bank. The Recipient shall inform the Fund of the officials authorized to operate the Designated Account.
5. The Recipient shall cause the Province People Committee ("PPC") to provide sufficient counterpart financing as indicated in the GCF Funding Proposal.

## **Section C**

1. The Project Completion Date shall be 31 December 2030, and the Financing Closing Date shall be aligned with the Project Completion Date, or such other date agreed upon by both Parties.
2. Pursuant to Section 7.05 of the General Conditions, procurement of goods, works, and services financed by the Grant shall be carried out in accordance with the provisions of the Recipient's procurement regulations. The Recipient shall ensure that IFAD is promptly notified of any change to the Recipient's procurement regulations and policies, which the Recipient determines, in good faith, could have an effect on the Project.

## **Section D**

1. The Fund will administer the Grant and supervise the Project.
2. As of the date of entry into force of this Agreement, the Recipient represents and warrants that, with respect to the Grant:
  - a. during the implementation of the Project, it complied with all the applicable legislative and regulatory provisions with regards to the fight against money

laundering and the financing of terrorism and the identification of customers, and carried out other similar verifications to which it may be required with regard to its legislative and regulatory provisions;

- b. during the implementation of the Project, it has complied with the applicable anti-corruption laws;
- c. it understands and accepts that IFAD may invite representatives of the GCF to participate in the supervision and other similar missions carried out by IFAD subject to applicable Vietnamese laws and regulations;
- d. it understands and accepts that the GCF, in coordination with IFAD, may, at its own expense, i) carry out occasional audits on the use of the Financing, ii) conduct ex post impact assessments; and/or iii) request the inclusion of impact assessment requirements, subject to applicable Vietnamese laws and regulations;
- e. shall cooperate with IFAD and GCF in the event that GCF or a third party appointed by GCF may assume the contractual role of IFAD based on the terms of this Agreement;
- f. it understands and accepts that an independent auditor selected by IFAD shall conduct interim and final independent audit reports for the purposes of measuring the performance of the Project, subject to applicable Vietnamese laws and regulations;
- g. it understands and accepts that a major restructuring of the Project may result in the GCF or IFAD requesting a new letter of no objection or new approvals from the relevant authority, or both, as applicable;
- h. any branding activity, including the use of either IFAD or GCF's name, mark, symbol or logo in any reports, publications, news media or related publicity materials as well as any other form of public information must be agreed in writing by IFAD and GCF;
- i. it is duly authorized, and has the capacity to enter into this Agreement and that this Agreement is legally binding on and enforceable against the Recipient in accordance with its governing law;
- j. it shall have no right of action, whether in contract, tort or under statute to the extent permitted by law, against the GCF, including Board members, alternate Board members, the Executive Director, Staff and Experts, and/or any other person acting on behalf of the GCF in respect of the GCF Trust Account, the Funded Activity or any loss or damage arising out of IFAD's acts or omissions, or the acts or omissions of its officers, employees, agents or consultants under or in connection with the implementation of the Grant;
- k. shall cause the MAE to implement the Project in accordance with the applicable Implementation Manual, which provides the relevant guidelines for Project implementation and is approved by the PPC subject to applicable laws and regulations.

**Section E**

1. The following is designated as an additional ground for cancellation of the Financing by IFAD:

- (b) In the event that the Recipient did not request a disbursement of the Financing for a period of at least twelve (12) consecutive months without justification subsequent to the first eighteen (18) months from the Entry into Force of the Agreement<sup>10</sup>.

2. The following are designated as additional grounds for suspension of the Grant by IFAD:

- (c) The GCF has decided to suspend payments to IFAD, including but not limited to GCF Financing; and
- (d) The GCF has terminated the AMA or FAA.

3. The following is designated as an additional condition precedent to withdrawal:

- (c) The Project Management Unit ("PMU") shall have been established and the key Project staff (i.e. Project Director and Chief Accountant) shall have been selected.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Deputy Minister of Agriculture and Environment  
No. 10 Ton That Thuyet street  
Hanoi, Viet Nam

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

---

<sup>10</sup> For the avoidance of doubt, this ground for cancellation shall apply only if the Recipient fails to submit a disbursement request in accordance with paragraph 1(a) of Section E. It shall not be triggered if the Recipient has submitted a timely request for disbursement, but IFAD is unable to process it due to insufficient GCF funds in the Grant Account as provided under Section B, paragraph 2.

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the [Recipient] and one (1) for the Fund.

SOCIALIST REPUBLIC OF VIET NAM

\_\_\_\_\_  
Nguyen Quoc Tri  
Deputy Minister of Agriculture and Environment

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Juan Carlos Mendoza Casadiegos  
Director  
Environment, Climate, Gender and Social Inclusion Division

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Project area.* The geographic area of the Project comprises the city of Hanoi, the provinces of Dak Lak, Lam Dong, Gia Lai, Khanh Hoa, and other provinces as may be added during the course of Project implementation (the "Project Area").
2. *Goal.* The goal of the Project is to reduce Greenhouse Gas emissions from the Agriculture, Forestry and Other Land Use sector (AFOLU), contributing to the sustainable and climate-resilient development of forest-dependent communities.
3. *Objectives.* The objectives of the Project include:
  - (i) Support to refining of national mechanisms and policies in sustainable forestry economic development towards reducing greenhouse gas emissions from deforestation and forest degradation, promoting strategic, integrated and effective investment in the fields of agriculture and forestry, improving livelihoods for communities and adapting to climate change;
  - (ii) Support to capacity building of provinces to integrate REDD+ plans into the development and implementation of provincial socio-economic development plan as well as to expand stakeholders' participation in REDD+ implementation; and
  - (iii) Support to provinces in expanding of the application of payment for forest environmental services (PFES), results-based payments (RBP), development of deforestation-free infrastructure and supply chains, forest conservation in combination with livelihood improvement and sustainable poverty reduction
4. *Components.* The Project shall consist of the following Components:
  - 4.1 **Component 1:** Viet Nam's REDD+ design pillars are upgraded and integrated into provincial policies & institutional frameworks with improved public-private-stakeholders partnerships to operationalize REDD+.
    - 4.1.1 *Sub-Component 1.1:* Support to refining and updating of national REDD+ policies and mechanism to meet the requirements of RBP.
    - 4.1.2 *Sub-Component 1.2:* Provincial policies, legal and institutional frameworks, and stakeholder coordination mechanisms integrated with National REDD+ Action Plan (NRAP).
  - 4.2 **Component 2:** Management of Project implementation, monitoring and evaluation.

#### **II. Implementation Arrangements**

5. *Project Management Unit.* The Project Management Unit (PMU) is established under and reports directly to the Department of Forestry and Protection, Ministry of Agriculture and Environment (MAE). The PMU is responsible for coordinating with relevant agencies to implement the Project, overseeing progress, quality, utilization, and use of the Project's outputs in accordance with its objectives. The PMU will comprise a number of part-time officers and some full-time staff dedicated to the Project.

6. *Monitoring and Evaluation.* The Project's Monitoring and Evaluation "M&E" system will be designed to track and verify the levels of achievement of Project outputs, the associated outcomes, and the success in achieving the Project objective and its development goal.

**Schedule 2**

*Allocation of Grant Proceeds*

(a) Table 1 below sets forth the Outcomes of Eligible Expenditures to be financed by the Grant and the allocation of the amounts to each Outcome of the Financing and the percentages of expenditures for items to be financed for each Outcome:

**Table 1**

<b>Outcome</b>	<b>GCF Grant Amount Allocated (expressed in USD)</b>	<b>Percentage*</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	7 253 000	100 %
Project Management	247 000	100 %
<b>TOTAL</b>	<b>7 500 000</b>	

\* The Percentage is applied to Project expenditures, excluding taxes and shares of other financiers.

(d) Table 2 presents eligible outputs expenditures-for each Outcome shown in Table 1.

**Table 2**

<b>Outcome</b>	<b>GCF grant</b>
Outcome 1: Viet Nam's REDD+ Design Pillars Upgraded & Integrated	Output 1.1, 1.2
Project Management	Output 3 (PM)

### **Schedule 3**

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Grant Account if the Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Planning, Monitoring and Evaluation.* The PPMU shall ensure that (i) a Planning, Monitoring and Evaluation ("PM&E") system shall be established within twelve (12) months from the date of entry into force of this Agreement.
2. *Compliance with IFAD's Social Environmental and Climate Assessment Procedures ("SECAP 2021").* The Borrower/Recipient, through the Project, shall ensure that all Project activities are implemented in compliance with Viet Nam's Environmental Law and Land Law; and relevant Vietnamese and IFAD policies, including the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, and the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. The Recipient shall ensure that IFAD is promptly notified of any changes to its environmental and social policies or regulations that could, in good faith, affect project implementation.

## Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions				
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility					
Outreach	<b>1 Persons receiving services promoted or supported by the project</b>				MIS	Annual	PMU					
	Males - Males	0	24000	60000								
	Females - Females	0	56000	140000								
	Young - Young people	0	64000	160000								
	Indigenous people - Indigenous people	0	24000	60000								
	Total number of persons receiving services - Number of people	0	80000	200000								
	<b>Poor persons receiving services promoted or supported by the project</b>								MIS	Annual	PMU	
	Poor - Number of people	0	33600	84000								

Near poor - Number of people	0	16800	42000			
Vulnerable - Number of people	0	168000	420000			
<b>1.a Corresponding number of households reached</b>				MIS	Annual	PMU
Women-headed households - Households	0	24000	60000			
Non-women-headed households - Households	0	16000	40000			
Households - Households	0	40000	100000			
<b>Corresponding number of poor households reached</b>				MIS	Annual	PMU
Poor Households	0	16000	40000			
Near-poor Households	0	8000	20000			
Indigenous Households	0	32000	80000			
Vulnerable Households	0	40000	100000			
<b>1.b Estimated corresponding total number of households members</b>				MIS	Annual	PMU

	Household members - Number of people	0	16800 0	420000				
<b>Project Goal</b> Reduce GHG emissions from deforestation and forest degradation associated with major agricultural export commodity crops while enhancing livelihoods and reducing poverty in communities.	<b>Decrease in provincial multi-dimensional poverty incidence for four provinces</b>				Outcome & Impact survey, DOLISA report	Benchmark, Mid-term, Final	PMU, DOLISA	Vietnamese Government continues to show its high commitment to international conventions and strategies in REDD+ implementation. Socioeconomic conditions remain reasonably stable in the Project area. Extreme weather and natural disasters are manageable. Macro-economy continues to improve. Business regulatory environment improves. Law and policies on gender, EM are strongly enforced at all levels
	Decrease - Percentage (%)	0	10	20				
	<b>Enhance carbon stocks through forest protection and absorption of CO2</b>				Outcome & EX-ACT, MIS	Benchmark, Mid-term, Final	PMU	
	Forest protection - Area (ha)	0	80000	140000				
Absorption (MtCO2e) - Tons	0	2	6					
<b>Development Objective</b> Empower and strengthen adaptive capacity of target communities and institutions to better contend with climate change.	<b>Smallholder households report increased resilience to climate, environmental and economic shocks of &gt; 20% by P, V, S, A, EM</b>				Outcome & Impact survey, DOLISA report	Benchmark, Mid-term, Final	PMU, DOLISA	Provincial governments committed to PRAP, SEDP. Law and policies on gender and EM are strongly enforced at all levels
	% - Percentage (%)		20	50				
	Number - Number		15000	30000				

<b>Development Objective</b> Mainstream REDD+ into the Agricultural, Forestry and Other Land Use (AFOLU) sector relevant policies, planning, and investment at national, provincial and local levels for enhancement of livelihoods and resilience of communities.	<b>NRAP updated by the project mid-term addressing benefit sharing and PFES, land tenure, private sector involvement, and effective emission monitoring and evaluation.</b>			Outcome survey based on score card indicators adapted to project intervention	Benchmark, Mid-term, Final	PMU	Provincial governments committed to PRAP, SEDP. Law and policies on gender and EM are strongly enforced at all levels
	Number	- 0	1				
<b>Outcome</b> 1. Creating an enabling environment to reduce emissions from deforestation, enhance carbon stocks and adapt to climate change	<b>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</b>			Outcome survey	Annual at mid-term	PMU	Provincial governments committed to prov. & regional participatory integrated market-led socio-economic development planning and RAP. Provincial authorities maintain ARD and forestry development as priority sector for Provincial investment
	Number	- 0	2				
	<b>SF.2.1 Households satisfied with project-supported services</b>			Outcome survey	Benchmark, Mid-term, Final	PMU	
	Household members - Number of people	0	160000				

	Indigenous households - Households	0	32000	56000				
	Households (%) - Percentage (%)	0	40	70				
	Households (number) - Households	0	40000	70000				
	<b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b>				Outcome/MIS	Benchmark, Mid-term, Final	PMU	
	Indigenous households - Households	0	24000	56000				
	Households (%) - Percentage (%)	0	30	70				
	Households (number) - Households	0	30000	70000				
	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>				Outcome survey	Annual at Mid term	PMU	
	Total number of household members -	0	120000	280000				

Number of people							
Households - Percentage (%)	0	30	70				
Women-headed households - Households	0	18000	42000				
Households - Households	0	30000	70000				
<b>3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered</b>							
Hectares of land - Area (ha)	0		144805				
tCO2e/20 years - Number	0		-6684338				
tCO2e/ha - Number	0		46.16				
tCO2e/ha/year - Number	0		-3.85				
<b>1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)</b>							
Indigenous households - Households							

	Women-headed households - Households							
	Households (number) - Households							
	Households (%) - Percentage (%)							
	Household members - Number of people							
<b>Output</b> 1.1. Improved provincial policies and coordination to reduce deforestation and adapt to climate change.	<b>Policy 1 Policy-relevant knowledge products completed</b>				MIS	Annual	PPCs/PMU	Provincial governments committed to prov. & regional participatory integrated market-led socio-economic development planning and RAP. Provincial authorities maintain ARD and forestry development as priority sector for Provincial investment.
	Number - Knowledge Products	0	8	10				
	<b>Policy 2 Functioning multi-stakeholder platforms supported</b>				MIS	Annual	PMU	
	Number - Platforms	0	5	5				
<b>Output</b> 1.2. Improved national policies and capacity to implement and	<b>Policy 1 Policy-relevant knowledge products completed</b>				MIS	Annual	PMU	Provincial governments committed to prov. & regional participatory integrated market-led socio-economic development planning and RAP. Provincial authorities maintain ARD and forestry
	Number - Knowledge Products	0	5	5				
	<b>REDD+ MIS with community engagement operational and meeting</b>				MIS	Annual	PMU	

invest REDD+ in	<b>requirements of international forest financing mechanisms</b>				MIS	Annual	PMU	development as priority sector for Provincial investment.
	Number of MIS - Number	0		1				
	<b>REDD+ Safeguard Information System operational</b>							
	Number of system - Number	0	0	1				
	<b>NRAP updated by the project-mid-term addressing benefit sharing and PFES, land tenure, private sector involvement and effective emission monitoring and evaluation</b>							
Number of NRAP - Number	0	0	1					
<b>Outcome</b> 2. Measures to reduce deforestation, promote sustainable agriculture and enhance climate resilience & nutrition implemented	<b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>				MIS	Annual	PMU	Government completes the regulatory framework for private sector involvement in REDD+. NRAP, Project financing is disbursed in time to support field implementation. Co-financed beneficiaries capable of providing their contribution. Adequate skills base amongst local service providers. Private investors are interested in investing in business opportunities in smallholders agriculture along
	Women (%) - Percentage (%)	0	20	50				
	Women (number) - Females	0	40000	100000				
	Households (%) - Percentage (%)	0	20	50				

Households (number) - Households	0	20000	50000				conditions promoted by the programme. Local enterprises are able to finance their part of the investment facility. Valid agricultural innovations available from research institutions and private sector.
Household members - Number of people	0	80000	200000				
Indigenous - Indigenous people	0	32000	80000				
Women-headed households - Households							
<b>Smalholder households report increased resilience of climate, environmental and economic shocks of &gt;20% disaggregated by P, V, S, A, EM</b>				Outcome survey	Annual at Mid-term	PMU	
Households - Number	0	20000	50000				
<b>2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</b>				MIS	Annual	PMU	
Number of POs - Organizations	0	300	704				
<b>1.2.5 Households reporting using rural financial services</b>				Outcome survey/MIS	Annual	PMU	

	Total number of household members - Number of people	0	80000	160000				
	Households - Percentage (%)	0	20	40				
	Households - Households	0	20000	40000				
<b>Output</b> 2.1. Deforestation free commodities and nutritive sensitive niche product value chains developed with improved access to credit.	<b>Number of district and commune-level 4P platforms implementing VC action plans</b>				MIS	Annual	PMU	Policies on CFM and PFES are strongly enforced at all levels. Provincial Governments are committed to implement CFM and PFES. Communities and households are interested in CFM and PFES.
	Number of platforms - Number	0	48	72				
	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>				MIS		PMU	
	Total persons participating - Number of people	0	40000	100000				
	Males - Males	0	16000	40000				
	Females - Females	0	24000	60000				
	Households - Households	0	20000	60000				

	Household members benefitted - Number of people	0	80000	240000				
	Indigenous people - Indigenous people	0	40000	120000				
	Young - Young people	0	32000	96000				
<b>Output</b> 2.2. Climate resilient infrastructure established and operated for deforestation-free value chains and forest protection activities	<b>1.1.2 Farmland under water-related infrastructure constructed/rehabilitated</b>				MIS	Annual	PMU	Government completes the regulatory framework for private sector involvement in REDD+. NRAP, Project financing is disbursed in time to support field implementation. Co-financed beneficiaries capable of providing their contribution. Adequate skills base amongst local service providers. Private investors are interested in investing in smallholders agriculture along conditions promoted by the programme. Local enterprises are able to finance their part of the investment facility. Valid agricultural innovations available from research institutions and private sector.
	Hectares of land - Area (ha)	0	8000	12000				
	<b>2.1.5 Roads constructed, rehabilitated or upgraded</b>				MIS	Annual	PMU	
	Length of roads - Km	0	80	170				

<b>Output</b> 2.3. Collaborative forest conservation and management enhanced with effective benefit sharing	<b># hectares for which performance-based PFES provides incentives to conserve or restore forest</b>			MIS	Annual	PMU	Policies on CFM and PFES are strongly enforced at all levels. Provincial Governments are committed to implement CFM and PFES. Communities and households are interested in CFM and PFES.
	Hectares of land - Area (ha)	0	0				
	<b># hectares of forestland under effective and sustainable community or collaborative forest management</b>			MIS	Annual	PMU	
	Hectares of land - Area (ha)	0	0				

## Integrated Project Risk Matrix

Risk Category / Subcategory	Inherent risk	Residual risk
<b>Country Context</b>	<b>Moderate</b>	<b>Low</b>
Political Commitment	Substantial	Substantial
Governance	Low	Low
Macroeconomic	Moderate	Moderate
Fragility and Security	Moderate	Moderate
<b>Sector Strategies and Policies</b>	<b>Moderate</b>	<b>Moderate</b>
Policy alignment	Moderate	Moderate
Policy Development and Implementation	Low	Low
<b>Environment and Climate Context</b>	<b>Substantial</b>	<b>Substantial</b>
Project vulnerability to environmental conditions	Moderate	Moderate
Project vulnerability to climate change impacts	Substantial	Substantial
<b>Project Scope</b>	<b>Moderate</b>	<b>Moderate</b>
Project Relevance	Low	Low
Technical Soundness	Substantial	Substantial
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Low</b>	<b>Low</b>
Implementation Arrangements	Low	Low
Monitoring and Evaluation Arrangements	Low	Low
<b>Project Financial Management</b>	<b>Substantial</b>	<b>Substantial</b>
Project Organization and Staffing	Substantial	Substantial
Project Budgeting	Substantial	Substantial
Project Funds Flow/Disbursement Arrangements	High	High
Project Internal Controls	Substantial	Substantial
Project Accounting and Financial Reporting	Substantial	Substantial
Project External Audit	Moderate	Moderate
<b>Project Procurement</b>	<b>Moderate</b>	<b>Moderate</b>
Legal and Regulatory Framework	Moderate	Moderate
Accountability and Transparency	Low	Low
Capability in Public Procurement	Moderate	Moderate
Public Procurement Processes	Moderate	Moderate
<b>Environment, Social and Climate Impact</b>	<b>Moderate</b>	<b>Moderate</b>
Biodiversity Conservation	Moderate	Moderate
Resource Efficiency and Pollution Prevention	Moderate	Moderate
Cultural Heritage	Low	Low
Indigenous People	Low	Low
Labour and Working Conditions	Low	Low
Community health, safety and security	Low	Low
Physical and Economic Resettlement	Moderate	Moderate
Greenhouse Gas Emissions	Moderate	Moderate
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
<b>Stakeholders</b>	<b>Low</b>	<b>Low</b>
Stakeholder Engagement/Coordination	Low	Low
Stakeholder Grievances	Low	Low
<b>Overall</b>	<b>Substantial</b>	<b>Substantial</b>

Country Context	Moderate	Moderate
Political Commitment	Substantial	Substantial
<p>Risk:</p> <p>At the project main objective/goal level, there is risk of external shocks to the macro-economy increasing world commodity prices as a consequence of the Ukraine conflict and Middle East crises. This risk of external shocks is always present in a relative open economy such as that of Viet Nam, particularly with the high proportion of income being derived from export revenue. These shocks could influence the Government's commitment to provide the resources for implementation of the NTPs and the climate change adaptation and mitigation policies and risk the transition to deforestation-free value chains that target international markets.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>At the national level, sound macro-economic policies, including smart governance are the main means of mitigating the risk. The main mitigation measures at the project and enterprise levels are the emphasis on sound financial analysis of project investments, with emphasis on quality and high productivity and low cost per unit of output value. Agreements on funding targets and modality are included in the design report and financing agreement will include explicit text in the Financing Agreement on counterpart funding, including district levels and loan recovery.</p>		
Governance	Medium	Medium
<p>Risk:</p> <p>Governance systems are in place and function relatively well in Vietnam but the relatively weak private business environment in the project provinces that might exclude agribusinesses from participating in the zero deforestation value chains.</p>	Medium	Medium
<p>Mitigations:</p> <p>Provincial governments (PPCs) have agreed to work with the project to create more favorable business environment, including benchmarking their provincial performance against provinces having high competitiveness indices.</p>		
Macroeconomic	Moderate	Moderate
<p>Risk:</p> <p>The external shocks to the macro-economy have important prominence. This risk is ever present in a relatively open economy such as that of Viet Nam, particularly with the high proportion of income being derived from export revenue. This is a significant risk for RECAF since the project is dealing with zero-deforestation value chains that target international markets.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>At the national level, sound macro-economic policies, including market determined exchange rates are the main means of mitigation of this risk. The main mitigation measures at the Project and enterprise levels are the emphasis on sound financial analysis of Projects, with emphasis on quality and high productivity and low cost per unit of output value.</p>		
Fragility and Security	Moderate	Moderate
<p>Risk:</p> <p>Key risks are associated with that of the maintenance of stable socio-economic conditions in the project area and with business regulatory systems. The five provinces targeted by RECAF are enjoying economic growth leading to reduced poverty, with the biggest socio-economic risk associated with climate change.</p>	Moderate	Moderate

Mitigations: RECAF will advance the national agenda for NRAP and will ensure that all project-financed interventions are based on adaptation and mitigation. Government institutions are also well organized and experienced in mitigating disasters. RECAF integrated mitigation and adaptation approach will also help address various economic and environmental shocks.		
Sector Strategies and Policies	Moderate	Moderate
Policy alignment	Moderate	Moderate
Risk: Viet Nam has become a lower middle-income country, graduating to less concessionally in ODA in-flows from IDA-terms in 2017. The Government has put in place new policies on ODA financing (Decree 114/2021) that reflect the new context but that require that IFAD can adapt its investment approach in the country.	Moderate	Moderate
Mitigations: Project design is fully aligned with the Vietnam’s Agricultural Restructuring Plan, the New Rural Development Programme and the NTP for Ethnic Minorities to which non-lending resources will be significantly mobilized from these programmes. RECAF will be the second project negotiated with the Government of Vietnam under the new ODA policies following EB approval of CSAT in December 2021.		
Policy Development and Implementation	Low	Low
Risk: A key risk for project implementation is weak coordination for implementing key policies such as NTPs, REDD+, and others. In addition, there are insufficient skilled and efficient contractors and service providers to implement the project in a cost-effective manner, especially in the context of REDD+ related activities.	Low	Low
Mitigations: RECAF promotes strong institutional linkages through the integrated NRAP – SEDP (Socio Economic Development Planning) process in the project areas which is instrumental to coordinate, mobilize, and converge both capacity and resources for implementation of the project and achievement of the project’s goals and objectives. Rigorous screening and investigation of potential contractors prior to engagement can tackle this risk adequately. The experience gained by IFAD in Viet Nam and the project provinces in this respect remains vital.		
Environment and Climate Context	Substantial	Substantial
Project vulnerability to environmental conditions	Substantial	Substantial
Risk: The proposed environmental and social risk assignment for the project is “Category B”. This risk rating is proposed based on the screening of ES risks and impacts associated with the: (i) type, nature and scale of proposed project activities; (ii) project’s affected stakeholders and results from stakeholder consultations; and (iii) socio-economic and environmental settings (covering inherent risks) of the potential project sites.	Substantial	Substantial
Mitigations: Based on the screening, the project design team prepared a(n): (i) Environmental and Social Management Framework (ESMF, Annex 6A); (ii) Indigenous Peoples Plan (IPP, Annex 6B); (iii) Gender Assessment (including the accompanying Gender Action Plan, Annex 8); and (iv) Stakeholder Engagement Plan (SEP, Annex 7). The instruments describe and respond to the assessed environmental and social impacts/risks, as well as related feedback obtained during field visits, household surveys, key informant interviews, and focus group discussions with project stakeholders (Annex 7). Quantitative and qualitative data collected through primary and secondary sources were used to assist the analysis.		
Project vulnerability to climate change impacts	Substantial	Substantial

Risk: Climate change adaptation and mitigation measures are urgently required in the five provinces targeted by RECAF with a focus on inclusion of ethnic minorities.	Substantial	Substantial
Mitigations: RECAF will support the implementation of the policies and measures which have been prioritized in the National Action Program on REDD+ 2011-2020 (NRAP) approved in 2012 and updated in 2017 for the period up to 2030, and which provides the country's framework for REDD+ implementation, in line with UNFCCC decisions and guidance. The project aims to facilitate an economically viable transition to sustainable forest management, deforestation-free value chains and climate resilient livelihoods, with specific focus on forest dependant communities and ethnic minorities.		
Project Scope	Moderate	Moderate
Project Relevance	Low	Low
Risk: RECAF is not responding adequately to key challenges and related, recent policies on the climate change and REDD+.	Low	Low
Mitigations: RECAF is aligned with the NDC through the land use planning activities, better capacity for forest protection, protection through the jurisdictional approach to deforestation-free supply chain management of major commodities, and development of agroforestry and through enhancing the resilience of the target beneficiaries.		
Technical Soundness	Moderate	Moderate
Risk: RECAF aims to facilitate an economically viable transition to sustainable forest management, deforestation-free value chains, agroforestry systems and climate resilient livelihoods. This transition faces a number constraints, such as (i) policy and institutional gaps for implementing REDD+ at provincial level, e.g. lack of interdepartmental, cross-sectoral and public-private coordination and lack of a monitoring system to report emission reduction results (ii) inequitable distribution of costs and benefits of forest protection and conservation (iii) lack of secured land tenure and (iv) lack of incentives for private sector action and lack of access to long-term credit products for mitigation and adaptation investments.	Substantial	Substantial
Mitigations: RECAF has integrated lessons learned from the REDD+ in the design: (i) the core of a successful REDD+ strategy is effective planning and investment; with clearly defined, locally agreed objectives, (ii) provide appropriate incentives for better forest management (or disincentives for forest destruction); and (iii) incentives come in various forms, including through access to more secure tenure over land and resources, assistance for market and financial access and/or through benefits from domestic PES schemes. In addition, management and coordination structures in the provinces are well established and capable of drawing attention and commitment of PPC to the sufficient allocations of IFAD project funds, and pre-financing of eligible project expenditures.		
Institutional Capacity for Implementation and Sustainability	Low	Low
Implementation Arrangements	Low	Low
Risk: Lack of adequate inter-provincial and inter-sectoral coordination to implement some of project proposed activities, such as the Regional integrated planning, Convergent Value Chain planning. The instruments are new to various departments/agencies which may not have the required capacity.	Low	Low

Mitigations: Project design includes a strategy for implementation arrangements with MOU/contract signed with relevant agencies/departments to fulfil their obligations to the project activities. RECAF implementation arrangements follow the Government Decree 114/2021 on ODA management in Viet Nam and the proven structure used in all IFAD-funded projects in the country. It takes on board a number of additional functions in order to respond to the Government, IFAD and GCF policies, including risk management, policy engagement, facilitating private sector linkages and partnerships, M&E and knowledge management.		
Monitoring and Evaluation Arrangements	Low	Low
Risk: Inadequate M&E system for planning and monitoring.	Low	Low
Mitigations: M&E system is embedded in the project management information system (MIS). It integrates information on project management, financial management, procurement and physical progress. It allows reporting in real time and serves as a platform for the large number of co-implementing agencies.		
Project Financial Management	Substantial	Substantial
Project Organization and Staffing	Substantial	Substantial
Risk: All provinces have identified FM staff who will work on RECAF, most of whom are experienced in IFIs-funded operations. However, FM staff does not have adequate exposure to new IFAD FMD rules, including report-based disbursement requirements.		
Mitigations: IFAD will provide additional hands-on training and support before the project implementation start and during the implementation.		
Project Budgeting	Substantial	Substantial
Risk: Separate AWPB for each province and MAE must be prepared and approved. In addition, internal government budget regulations are not flexible in introducing amendments to the approved budget during the year when needed.		
Mitigations: Local consultants will be recruited to handle the increased workload. The project will have dedicated staff at the Coordination Unit (CU) with the required skills to address all challenges.		
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Risk: PMUs do not have enough experience in IFAD's new report-based disbursement requirements. Local regulations on payment processing and approval are complex and time-consuming.		
Mitigations: IFAD will provide additional hands-on training and support before the project implementation start and during the implementation. PMUs will develop special rules for payment processing and approvals with specific deadlines for each payment processing step and monitor their practical implementation.		
Project Internal Controls	Substantial	Substantial
Risk: The project must comply with internal government, IFAD, and GCF regulations. Internal audit practices within government institutions are not in compliance with international best practice standards.		
Mitigations: PIM will be developed to consolidate all relevant policies and procedures. Private consultants will be recruited to assess the internal control framework of the PMUs.		
Project Accounting and Financial Reporting	Substantial	Substantial

Risk: PMUs do not have readily available accounting software for the project. • All PMUs will need to meet reporting requirements of the government, IFAD, and GCF		
Mitigations: All provinces will procure and customize accounting software for the project needs. The software will need to maintain accounting records on double-entry bookkeeping principles. The accounting systems will be customized to generate GCF ( expenditures split by funding source, expense category, components, subcomponents, and activities), IFAD, and government-required reports		
Project External Audit	Moderate	Moderate
Risk: SAI of the country do not audit IFAD-funded project.		
Mitigations: Private sector auditors will be selected for the annual audit of the project financial statements.		
Project Procurement	Moderate	Moderate
Legal and Regulatory Framework	Moderate	Moderate
Risk: The Borrower's regulatory and institutional capacity and practices (including compliance with the laws) are adequate to conduct the procurement in a manner that optimizes value for money with integrity. There are some constraints on applicable procurement methods for consulting service (particularly CQS) and thresholds for applying direct contracting, and regulations on sustainable procurement.	Moderate	Moderate
Mitigations: Periodically review the application of procurement procedures inference to the law and regulations. Review and clear project procurement plan (consolidated) encouraging the use of competitive procurement methods. Provide consolidated procurement information on project website (opportunities and awards). Mainstream SECAP requirements and ESCMF into project/sub-projects implementation.		
Accountability and Transparency	Low	Low
Risk: There are some constraints on engagement of civil society in the consultative process for procurement policy development, provisions on fraud, corruption and other prohibited practices in consistence with IFAD policies.	Low	Low
Mitigations: Apply e-Procurement for goods/work/service packages where applicable. Request bidders and contractors signing the Self-Certification Forms on anticorruption, sexual harassment, sexual exploitation and abuse as a part of bids/proposals and contract documents. Conduct prior and ex-post reviews to strengthen enforcement of the debarment system. Enforcing legal protection or whistle-blower protection.		
Capability in Public Procurement	Moderate	Moderate
Risk: Limited English skills of project staff including procurement staff. Newly recruited project staff might not be familiar with IFAD procurement policies and procedures.	Moderate	Moderate

<p>Mitigations: Retain procurement professionals to support full time and intermittently. Interpreters will be recruited for each PMU at the project provinces. Provide training and periodic coaching to project staff (IFAD project procurement guidelines and manual, ICP, the Law and regulations on public procurement, e-Procurement, BUILDPROC procurement training program). Encourage participation of the procurement officers in certification courses offer by MPI</p>		
Public Procurement Processes	Moderate	Moderate
<p>Risk: There are often constraints in budget allocation against the AWPB that budget funds are not always appropriated in a timely manner and cover the full amount of the annual planned activities. Procurement processes (planning, bidding, contract award and contract implementation) are often delayed.</p>	Moderate	Moderate
<p>Mitigations: Monitor and update regularly the AWPB and the procurement plan, and their implementation progress with both planned and actual data. Monitoring closely contract implementation progress with periodic progress reports and follow-up actions which includes management of physical and financial progress through ICP CMT</p>		
Environment, Social and Climate Impact	Moderate	Moderate
Biodiversity Conservation	Moderate	Moderate
<p>Risk: Encroachment on protected forest areas</p>	Moderate	Moderate
<p>Mitigations: This risk is being mitigated directly through the project design, as one of the risks inherent to the project area which the project aims to address. Specifically, local communities will be provided with community forest management opportunities that respect and encourage biodiversity and forest health through deforestation free value chains (particularly under Component 2, Activities 2.1, 2.2, and 2.3). Thus, the mitigation strategy is the project's support to community-based land use planning and allocation process, including: (i) collection of information &amp; secondary data; (ii) definition of the present land use situation; (iii) assessment of land capability and vulnerability to natural disaster; (iv) preparation of the land use plan and proposed land use maps; and (v) submission of the proposed land use plan to commune and District People's Committees (DPC) for approval.</p>		
<p>Risk: Disruption to ecological flows (migratory fish, water) with the development of small reservoirs</p>	Moderate	Moderate
<p>Mitigations: Prior to construction and/or implementation, an assessment of biodiversity in the area and reliance of upstream/downstream water users must be conducted to identify instances when/where fish ladders need to be included and/or communities need to be consulted on changes in timing and flow of the water.</p>		
Resource Efficiency and Pollution Prevention	Moderate	Moderate
<p>Risk: 1) Erosion and run-off to water bodies during earthworks &amp; construction; 2) Temporary pollution from construction; specifically: dust, noise, vibrations, waste &amp; wastewater generation from workers' campsites, etc.; 3) Potential water pollution from sourcing aggregates and construction materials like soil and gravels; 4) Increased water consumption during construction activities; 5) Potential increase in pesticide use</p>	Moderate	Moderate

<p>Mitigations:</p> <p>1) Site specific ESMPs – or an Environmental Code of Practice (ECOP) – will include water &amp; wastewater management protocols, including interventions to divert or slow the movement of water (reducing erosion), and construction contracts will include clauses on safeguards compliance (particularly the development and implementation of related ESMPs).</p> <p>2) ESMPs (or ECOPs) must include a section on waste management (as well as water &amp; wastewater management protocols) to minimize waste production &amp; ensure efficient and safe handling for proper transfer and eventual disposal. The ESMP (or ECOP) will also include mitigation measures for site-specific concerns, for example:</p> <ul style="list-style-type: none"> <li>- occasional spraying of the area to reduce dust;</li> <li>- limiting hours of construction to reduce unfavourable noise and/or vibration(s) experienced by neighbouring communities</li> <li>- waste management &amp; water/wastewater management protocols</li> </ul> <p>3) Where possible, utilize silt fencing or filter socks to control sediment and reduce water pollution; define, within the ESMP (or ECOP) and construction proposal measures to separate and either (i) treat; or (ii) safely dispose of polluted water (e.g. transfer to a treatment facility)</p> <p>4) Within the water/wastewater section of the ESMP (or ECOP) and related construction proposal, specify the expected water requirements and water sourcing plans, with an effort to keep consumption at a minimum; sensitize workers on the need to conserve water where possible and on frugal management of water during the construction activities;</p> <p>5) The risk of increased pesticide use will be minimized through the project’s training for farmers on good production/good agricultural practices and utilizing integrated pest management (which improve the market price of produce at market).</p>		
Cultural Heritage	Low	Low
<p>Risk:</p> <p>Project’s construction activities might physically affect ethnic minorities’ sites of archaeological, historical, cultural, artistic, and religious significance, and/or unique environmental features, cultural knowledge, as well as intangible forms of culture embodying traditional lifestyles.</p>	Low	Low
<p>Mitigations:</p> <p>Construction activities are managed by project’s contractors through environmental and social management procedures set forth in project’s ESMF. A Chance Finds Procedure is in place for contractors to address the possibility of archaeological deposits becoming exposed during ground altering activities within the project area. ESMF has a protocol to follow in the case of a chance archaeological find to ensure unknown archaeological sites are not disturbed until an assessment by a competent specialist is made and actions consistent with the requirements are implemented.</p>		
Indigenous People	Low	Low
<p>Risk:</p> <p>Risk of social, or economic impacts on the non-Kinh ethnic group, including threats to or the loss of resources of historical or cultural significance.</p>	Low	Low

<p><b>Mitigations:</b> The approach to the non-Kinh ethnic groups is consistent with IFAD's policy on ethnic minorities. FPIC consultation will be adopted for targeting of ethnic minority groups. Cultural differences will dictate the approach adopted. Local languages will be used in all village meetings, planning and extension sessions. Community meetings will be organized in a manner that is appropriate culturally to each of ethnic minority groups being affected by potential project activities. District teams responsible for implementation will reflect gender balance, and their members will have command of ethnic languages. Capacity building tools will be developed in the languages of the main ethnic groups that have written characters and take into consideration cultural differences. Ethnic verbal languages will be used during project planning, discussions, trainings, etc. as preferred by affected ethnic minority groups. Special efforts will be made to recruit project extension agents speaking ethnic groups languages and in mobilizing and mentoring students from the ethnic schools.</p>		
<p><b>Risk:</b> Exclusion of disadvantaged/ vulnerable groups from project planning, implementation and receiving socioeconomic benefits from the project. For instance vulnerable/disadvantaged people, such the poor, ethnic minority peoples, women, elderlies, etc., may be excluded from accessing temporary employment opportunities, such as those offered by construction contractors. People with disabilities may be excluded from appropriate access to road facilities. The road is not designed for safe crossing at intersections by local people with limited eyesight or difficulties with walking.</p>	Low	Low
<p><b>Mitigations:</b> An IP Plan has been prepared for the project (Annex 6B). This aims to ensure ethnic minorities, including vulnerable groups within the ethnic minority community such as women, elderlies, are included in project planning and implementation to receive project benefit. A template for annual IPP (to be used by provincial PMUs) is included in IPP to facilitate annual IPP planning, including monitoring target achievement. See also the Gender Assessment (including the accompanying Gender Action Plan (Annex 8) and the Stakeholder Engagement Plan (Annex 7).</p>		
<p><b>Labour and Working Conditions</b></p>	Low	Low
<p><b>Risk:</b> Child labour, forced labour</p>	Low	Low
<p><b>Mitigations:</b> All contractors, subcontractors are required, as part of the work contracts, to ensure peoples under 18 years of age will not be hired for sub-project's construction works. In all contracts between PMU and contractors, there shall be provisions that require compliance with the minimum age requirements, including penalties for non-compliance. Contractors will be required to maintain a labour registry for all contracted workers with supporting documents confirming workers' age. Actions by contractors and subcontractor for child labour and forced labour prevention will be reflected in contractors' site-specific ESMPs and will be reviewed and approved by PMU prior to contractor's mobilization to sub-project site.</p>		
<p><b>Risk:</b> Overtime working, poor working conditions, temporary workers (e.g. local workers, including IP workers, engaged by contractors are underpaid for the nature, scope, and quantity of work that they undertake).</p>	Low	Low

<p>Mitigations: All contractors and subcontracts will be required (in Work Contract) to observe the regulations specified in Vietnam Code of Labour (2019) on labour management and labor working condition. These will include, among others, requirements for contractors as employers to observe requirements of working conditions for their workers, such as work time, overtime, leaves, compensation, compensation for overtime, and mode of compensation. Contract with workers that is at least one month long is subject to registration for social insurance (in accordance with the Law of Social Insurance 2014). Contractors will be required to sign contracts with all seasonal IP workers, if any, as if they work more than one month. This aims to protect seasonal IP workers from about mentioned risks due to lack of a working contract.</p>		
<p>Risk: Occupational Health and Safety (OHS): Labour related accidents on the part of persons, especially vulnerable persons, who worked for project contracted construction companies</p>	Moderate	Moderate
<p>Mitigations: 1) The requirements for contractors to identify Occupational Health and Safety (OHS) risks and provide remedies for non-compliance will be included in all procurement documents of PMU. 2) All contractors are required to conduct OHS training to raise awareness of OHS and promote application of good OHS practices prior to mobilizing all workers to construction sites. 3) Where required, based on risk assessment at activity level, contractors will be required to engage qualified OHS staff to be in charge of OHS issues, including provision of training of workers, monitoring of OHS risks and proposed updated preventative measures.</p>		
<p>Community health, safety and security</p>	Low	Low
<p>Risk: Overuse of agrochemicals such as chemical pesticides and fertilizers for enhanced agricultural production which affects farmers' health, water resources, soil, and food safety.</p>	Moderate	Moderate
<p>Mitigations: Trainings on good agricultural practices, including appropriate use of agrochemicals and pesticide residual management will be provided. Traditional pest management practices that are environmentally benign and have been adopted by local IPs and are appropriate for select value chains will be encouraged/leveraged. Food safety and international standards/certification are included from value chain planning with strict monitoring and evaluation. Awareness raising activities will be conducted regularly to inform IPs of project's social risks, including mitigation measures that project and affected IPs will take to minimize such risks, or address/resolve if such risks happen.</p>		
<p>Risk: Presence of unexploded ordinances (UXOs) at project sites (mostly construction sites, but could include any areas not regularly traversed).</p>	Low	Low
<p>Mitigations: For UXOs, in particular, identification and removal (if any) would be done by experts as part of site clearance prior to commencing any activities on the project sites. Safety risks related to UXOs are considered low to moderate, since most of the construction subprojects will not occur on previously untouched/undeveloped land; however, a UXO risk assessment will be conducted for all the subproject sites where UXOs are considered a potential hazard, and UXO clearance (if needed) will be carried out by qualified agencies. Construction activities will not be allowed prior to UXO clearance.</p>		
<p>Risk: Temporary traffic blocks and related safety issues during construction and operation.</p>	Low	Low

Mitigations: Clear signage will be installed around the project site for safety, with a reasonable notice period (e.g. 24h or more) based on the local regulations/requirements. A detour will be made available for local traffic.		
Risk: Sexual Abuse and Exploitation/Sexual (SEA/SH)	Low	Low
Mitigations: Conduct annual awareness raising events to sensitise a) provincial PMUs, b) contractors, c) local community and authorities, d) local health care services and SEA/SH service providers. This will be mainstreamed to relevant annual meetings at community level to reduce cost and time. All project contractors will be required to have a Contractors' Labour Management Procedures in place – as part of their site-specific ESMP. Contractors must have a social Code of Conducts for their workers and managers and train their staff and workers. To facilitate monitoring, performance indicators will be set to enable contractors and provincial PMUs to monitor social Code of Conducts implementation. Local government will also help disclose the social code of conduct at commune and village's public billboard in local language(s) to promote wide access to community members in subproject areas, particularly vulnerable group such as women, children and youth.		
Risk: Health risks such as risks of contracting of, and spreading of communicable diseases (e.g. COVID-19, STD), and other non-communicable diseases associated with labour influx.	Low	Low
Mitigations: Contractors, including subcontractors, shall be required to undertake health related measures – as specified in Contractors' Work Contract, to reduce the risk of contracting/spreading communicable diseases among contractors' workers and between contractor and local people.		
Risk: Malfunction of small reservoirs	Moderate	Moderate
Mitigations: This risk will be mitigated through proper environmental and social assessment prior to design, and involvement of experienced irrigation engineers during the design and construction of the proposed small reservoirs, including reference to IFAD's guidance on dam safety, as needed.		
Physical and Economic Resettlement	Moderate	Moderate
Risk: Involuntarily displaced households due to infrastructure construction.	Moderate	Moderate
Mitigations: RECAF invests in small and climate resilient infrastructure and will avoid any investments that may cause physical resettlement. Exclusion criteria to be used include exclusion of any infrastructure scheme that requires physical resettlement of more than 20 people per scheme, or affect more than 10 percent (in value term) of assets of an individual household. There will be no forced displacement. FPIC and Grievance Redress are included in the ESMF and site-specific ESMP will be formulated for sub-projects to ensure communities are encouraged to raise their voices and complaints in a fashion that is timely and culturally appropriate.		
Greenhouse Gas Emissions	Moderate	Moderate
Risk: Inherent risk associated with changing climate in the project area, introducing more extreme events, floods, droughts, and saline intrusion, specifically the sustainability and resiliency of project activities/interventions (e.g. infrastructure).	Moderate	Moderate

Mitigations: To address issues of climate-induced risks and impacts, RECAF has been designed to mitigate climate change through improved forest management and adapt to climate change through climate-resilient infrastructure and agricultural/agroforestry practices. To accomplish this, infrastructure design and forest management/agricultural and agroforestry practices must be informed by climate projection and not only immediate needs.		
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
Risk: The project's target groups such as the poor and those whose livelihoods are highly vulnerable to climate, and therefore may face problems resulting from increasing climate variability and hazards (i.e., sea level rise, SWI, storms, long-lasting/heavy rains, and landslides, etc.).	Substantial	Substantial
Mitigations: The project is designed to explicitly address climate vulnerabilities and improve resilience of climate-vulnerable communities through improved agricultural and agroforestry practices and more climate-resilient livelihoods, supporting both in terms of climate mitigation (reducing future risks) and adaptation (responding to existing/expected risks).		
Stakeholders	Low	Low
Stakeholder Engagement/Coordination	Low	Low
Risk: Selected value change commodities exclude poor households; lack of consultation/ inclusion of perspectives of rural households, especially vulnerable/disadvantaged households (ethnic minorities, women, youth, elderly, people with disabilities, children).	Low	Low
Mitigations: Project-level strategic investment planning process, (i) pre-identification of potential for involving vulnerable/ disadvantaged rural households in incremental production & job creation; (ii) analysis of conditions and requirements to optimize participation of vulnerable/ disadvantaged rural households; Process integrating strong "bottom-up" commune and district-level participatory processes to capture local knowledge and understanding of impacts, risks, vulnerabilities, and development priorities, particularly development preferences that are culturally appropriate. A Stakeholder Engagement Plan (SEP, Annex 7) was prepared during project design and provides guidance on how to conduct stakeholder engagement throughout the project cycle. During implementation, stakeholder engagement will continue to depend on the target communities and is designed to be, therefore, sensitive to ethnic minority community needs and preferences (as well as differentiated to the needs of vulnerable persons in the project area). All provincial PMUs will maintain FPIC consultations with ethnic minorities and Kinh in the target project communes. FPIC consultations will be factored into the annual Indigenous Peoples' Plans which each provincial PMU will prepare to ensure ethnic minorities are included in project activities. Gender and youth targets are also mainstreamed into the annual IPPs to ensure that targets are achieved over the project's life cycle and monitored and evaluated at the project's midterm and conclusion.		
Stakeholder Grievances	Low	Low
Risk: Affected person(s), particularly affected ethnic minorities, may not know how to lodge their complaints/grievances/concerns to PMU team who is responsible for receiving grievance and process for grievance redress mechanisms.	Low	Low

<p><b>Mitigations:</b> The project has designed a GRM to provide complainants, including affected ethnic minorities, with redress procedures that are accessible, easily used, and free of charge to enable affected people to raise project related concerns and grievances. The project GRM guide how complaints are lodged, including forms, channels, particularly steps and time-limit for each step, notification of resolution decision, and prescriptive period, etc. GRM also considers local practices of grievance redress that local ethnic minorities prefer, including use of local ethnic minority language. During the grievance resolution progress, where necessary, dialogues will be hold between the project's designated GRM unit/personnel and the aggrieved people to promote mutual understanding and collaboration among relevant parties for effective resolution.</p>		
---	--	--