



Viet Nam: Improving Payment for Forest Ecosystem Service Implementation

Project Name	Improving Payment for Forest Ecosystem Service Implementation
Project Number	47180-001
Country	Viet Nam
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 8592-VIE: Improving Payment for Forest Ecosystem Service Implementation Japan Fund for Poverty Reduction US\$ 1.50 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Agriculture, natural resources and rural development - Forestry
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	
Project Rationale and Linkage to Country/Regional Strategy	
Impact	Ecosystem service payments improve rural livelihoods and environmental quality in the 3 target provinces by 2020

Project Outcome

Description of Outcome	Ecosystem service values and payments assessed, collected, and disbursed following a consistent approach in the 3 target provinces by 2016.
Progress Toward Outcome	No substantial outcome has been appeared.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none">1. Economic evaluation of environmental services standardized at the provincial level2. Mechanisms for PFES valuation, management and distribution piloted and institutionalized3. National and provincial policymakers have the capacity to value ecosystem services and integrate them in economic development planning4. Best practices and lessons learned captured and shared
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<p>Status of Implementation Progress (Outputs, Activities, and Issues)</p>	<ol style="list-style-type: none"> 1. Study results of ecosystem services assessment and recommendation for PFES methodologies in new sectors, PFES WebGIS system for forest monitoring, road map and PFES 5 years action plan for three target provinces have been done 2. PFES pilot in new sectors, cold water aquaculture and industrial water supply, are being implemented. The guidelines of three key areas (Financial Management and Accounting (FMA), Web GIS and PFES Policy integration) have been prepared. FMA guideline was officially approved by MARD. The Other two guidelines are being appraised by the government. 3. A number of trainings on main/supporting technical areas for the members of the Champion Network and local stakeholders have been conducted. Training of FMA was done in April 2016. Training of WebGIS and PFES Policy Integration have not yet been done yet. 4. Renovation of platform (Website) for PFES information sharing has been done. Achievements and lessons learned of the TA practices have been shared through VNFF News Letter (No.1 and No.2 of 2016). Issues/problems to be addressed in the TA were identified through collecting the updated data/information in CPMU and three target provinces. 04 months delayed in completion of the economic evaluation of environmental services in the provincial level and 03 months delayed in the approval of the government for implementation of the PFES pilots and the Guidelines. TA has been extended to 31 December 2016
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Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

<p>During Project Design</p>	<p>In addition to formal reconnaissance and fact-finding mission meetings, the project consulted with both Viet Nam Forest Protection and Development Fund, Ministry of Agriculture and Rural Development and the Institute of Strategy and Policy for Natural Resources and the Environment and the Biodiversity Conservation Agency under the Ministry of Agriculture (the implementing partners) through frequent face-to-face meetings and email during project design. Coordination with civil society development partner initiatives including but, not limited to: GIZ on PFES for aquaculture; the FORMIS project on forest data management, JAXA and JICA to promote the use of satellite data for forest monitoring; the World Bank's WAVES Program which is developing a road map for natural resource accounting at a national level; Viet Nam informal coordination group on PFES comprising ADB, CIFOR, Forest Trends, GIZ, IUCN, RCFEE, SNV, USAID, Winrock, World Bank and WWF Viet Nam (membership of this group is open to any academic, civil society or development organization with interest in PFES).</p> <p>MARD has appreciated TA achievements to the date, especially initiatives for extending PFES payment and technical guidelines. These achievements are Decision No. 4273/QD-UBND of Lao Cai Provincial People Committee on extending cold water PFES aquaculture pilot, Decision No. 86 5085/QD-BNN-TCLN of MARD's Minister on extending project for establishment of information system for VNFF and Decision No. 5301/QD-BNN- TCLN of MARD's Minister on Implementation of PFES Financial Guidelines, which are the results of TA studies. However, up to 31 December 2015, 15 months (63%) of TA implementation, the TA disbursement was only about \$ 479,000 (31 %) of TA budget. The Mission found the main reasons for delay were unforeseen change of some positions in the consultant team, delay in developing PFES methodologies and delay in obtaining endorsement from provincial government for implementation of PFES pilots. In addition, there were unrealistically planned activities, such as several work items assigned to one expert being scheduled at the same period that exceed his/her capacity, and timeframe of some work items being set without paying due attention to the interlinked activities. The consultant has requested 03 month extension to TA implementation in order to provide enough time for (i) a necessary period of PFES pilot implementation; (ii) obtaining approval for the policy guidelines to be issued as a circular at the national level; and (iii) producing documentations of the best practices and lessons. MARD strongly supported and requested ADB to extend the TA since they found that the TA results could provide innovation for PFES implementation in the country. During Steering Committee, MARD committed to contribute VND 700 million in cash (around \$ 32,000) in 2016 budget plan for CPMU and support PPMs to secure provincial fund for TA administration.</p>
<p>During Project Implementation</p>	<p>ADB will circulate all milestone reports to the Forest Sector Support Partnership, the international development coordination body for the sector.</p>

Business Opportunities

Consulting Services	The project consists of four distinct outputs, and supporting activities will be executed by a firm that will be under the quality- and cost-based selection process, with a quality_cost ratio of 80:20. It is estimated that 10 person-months of international consultant services and 142 person-months of national consultant services will be required. Consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), and disbursements under the TA will be done in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). The firm to be recruited will also be responsible for delivering training programs and procuring equipment. The TA requires 10 person-months of international and 142 person-months of national consultant support.
Procurement	Equipment such as forest patrol equipment (e.g., helmets, walking sticks, uniforms), monitoring equipment (e.g., binoculars, cameras), Geographic Information System data, software licenses, and office furniture will be procured under the consultants contract in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). All equipment shall be turned over to Vietnam Forest Protection and Development Fund, Institute of Strategy and Policy on Natural Resources and Environment and Forest Protection and Development Fund upon TA completion.

Responsible Staff

Responsible ADB Officer	Pham, Phuc Quang
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<i>Ministry of Agriculture and Rural Development Mr. Le Van Minh, Director General, ICD Room 305 Building A15 10 Nuyen Cong Hoan Street Ba Dinh District, Hanoi, Vietnam</i>

Timetable

Concept Clearance	07 Jun 2013
Fact Finding	29 May 2013 to 04 Jun 2013
MRM	-
Approval	16 Dec 2013
Last Review Mission	-
Last PDS Update	03 Oct 2016

TA 8592-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
16 Dec 2013	05 Sep 2014	05 Sep 2014	30 Apr 2016	31 Dec 2016	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,500,000.00	150,000.00	0.00	0.00	0.00	1,650,000.00	16 Dec 2013	1,435,159.00

Project Page	https://www.adb.org/projects/47180-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=47180-001
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