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COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)
CONCEPT STAGE

Report No.: PIDISDSC18450

Date Prepared/Updated: 29-Aug-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Vietnam	**Project ID:**	P157127
		Parent Project ID (if any):	
Project Name:	Forest Sector Modernization and Coastal Resilience Enhancement Project (P157127)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	01-Mar-2017	**Estimated Board Date:**	30-May-2017
Practice Area (Lead):	Environment & Natural Resources	**Lending Instrument:**	Investment Project Financing
Borrower(s):	Ministry of Finance		
Implementing Agency:	Ministry of Agriculture and Rural Development		

Financing (in USD Million)

Financing Source	Amount
BORROWER/RECIPIENT	50.00
International Development Association (IDA)	150.00
Total Project Cost	200.00

Environmental Category:	B - Partial Assessment
Concept Review Decision:	Track II - The review did authorize the preparation to continue
Is this a Repeater project?	No
Other Decision (as needed):	

B. Introduction and Context

Country Context

Country Context

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1. Given the overlap of poverty, forests, and climate vulnerability, Vietnam is considering how to use the ecosystem services and productive potential of its forest resources to improve the well-being of the rural poor and reduce their exposure to extreme weather events. Forests contribute to reduced soil erosion, create jobs, and generate income and livelihood support for about 24 million people, the majority of whom are the poor and ethnic minorities. Coastal forests in sandy soils and mangrove forests, if rehabilitated and sustainably managed, can contribute to the resilience of coastal communities and be part of low cost measures that help adapt to climate change - measures such as emergency spillways, planting and restoration of forests both in watersheds and along the coast, and non-structural measures that serve preventive purposes, such as better land use management and early warning systems. While there are ongoing efforts to introduce ecosystem based adaptation measures and adopt a landscape approach in the Mekong Delta, the Red River Delta and the North Central provinces (from Quang Ninh to TT- Hue) have not received similar support.

2. The Prime Minister approved a 10-year forest protection and development plan for 2011 ►(2020 which is currently being implemented nation-wide. The plan includes plantation and development of 100,000 ha of coastal protection forest. The Prime Minister►(s Decision 120, dated January 2015, approving the plan for coastal forest protection and development in response to climate change, set the following targets - protection of 310,965 ha of existing coastal forest, and establishment of 46,058 ha of new plantations to increase the coastal forest coverage from currently 16.9 percent to 19.5 percent in 2020.

3. Taking a more holistic approach to how Vietnam uses its forests for development and addressing climate change is timely given Vietnam►(s Intended Nationally Determined Contribution (INDC) presented at UNFCCC COP in Paris (2015). The INDC states that climate change adaptation must be carried out in a focused manner and respond to urgent, immediate impacts and long-term potential impacts. Climate change adaptation must be linked to sustainable development and the transition towards a low-carbon economy, and to ensure a systematic, joint, interdisciplinary, interregional approach, and incorporate gender equality, hunger eradication and poverty reduction. Two of the priorities identified in the INDC include:

- Protect, restore, plant and improve the quality of coastal forests, including mangroves, especially in coastal estuaries and the Mekong and Red River deltas.
- Implement sustainable forest management; improve the quality of poor natural forests; implement afforestation and reforestation measures, focusing on large timber plantations; and prevent forest deforestation and degradation.

Sectoral and Institutional Context

1. Viet Nam►(s forest cover has increased and in 2011 was reported at 39.7 percent of the total land area (MARD, 2011), up from 9.18 million hectares in 1990 (FAO, 2010). The 5 Million hectares of forests program increased forest cover by 2,450,000 ha between 1998 and 2010 or 32 percent in 1998 to 39.5 percent in 2010. These forest areas are largely inland in the central highlands and northern mountains. Natural and plantation forests in Vietnam are classified into Production, Protection and Special Use Forests. Mangrove forests are found in these three categories. In the 11 provinces in the Red River Delta and North Central Provinces (from Quang Ninh to TT- Hue) mangroves cover approximately 54, 697 hectares. Sandy soil coastal forests, in the same provinces, cover 69,645 hectares.

2. Coastal forests, however, have been severely degraded because of conversion of these areas to more lucrative unsustainable short-term activities term. The mangrove forest area decreased by nearly two-third, from 408,500 ha in 1943 to 290,000 ha in 1962 and 155,290 ha in 2000. The drivers of this deforestation have ranged from industrial scale aquaculture, to harvesting for fuelwood, to development of infrastructure that has altered the hydrological

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conditions required to sustain these mangrove systems. Sandy soil forests, found in the north central provinces have also been degraded or converted. One of the main reasons is encroachment from agriculture.

3. The degradation of coastal forests has implications for the effectiveness of dykes and coastal resilience. Vietnam has 2,072km of sea dykes and 1,758km of estuary dykes of which, approximately 1,400km of dykes are directly exposed to the sea in 29 provinces and cities across the country. Sea dykes protect 630 thousand hectares of agricultural land and about 8.7 million inhabitants. In many places mangrove forests are missing as wave breaks and in areas that are a distance from the estuaries. Because it is difficult to plant mangroves, sea dykes that do not have these natural wave breaks are affected by the waves. In the 11 provinces in the Red River Delta and North Central region, there currently are 1,076.33 km of sea dykes of which 395 km have forests serving as wave breaks - equivalent to 15,494 ha.

4. The Government, through the Forestry Development Strategy 2006-2020, has set objectives to increase the contribution of forestry to GDP from 1.2 percent in 2005 to between 2 and 3 percent by 2020. The Strategy also has objectives to generate two million more forest-related jobs and to improve forest-based incomes. The Government has also, in its 2016-2020 SEDP, set a forest area target of 45 percent by 2020. If achieved, this will support the aforementioned objectives. There is notable room for improvement in the performance of the forest sector of Vietnam. MARD has a Targeted Program for Sustainable Forest Development 2016-2020 (TP) which aims to continue to manage, protect, develop and sustainably use forests and land zoned for forestry development. The TP also aims to increase forest coverage to 44-45 percent by 2020. It includes, inter alia, the following two priority schemes: (i) protect and develop coastal forests to respond to climate change, and (ii) improve productivity of forest industry and value added.

5. To increase economic benefits from forests and improve forest management it is necessary to develop Vietnam➢(s timber industry in a sustainable manner and optimize revenue from carbon markets. It will also require improving the state forest companies (SFC), increasing timber exports, reduce imports of unprocessed wood and strengthen market linkages. At the same time, it is important to place a value on and develop other forest services. Certification and sustainable financing will be needed to provide incentives to improve productivity and add value.

6. Restoring mangroves will require close attention to their intertidal position and how they are exposed to various ocean and atmospheric climate change drivers which increases their vulnerability to climate change. Mangroves are sensitive to excessive sea level fluctuations, with too much flooding causing mangroves to ➢(drown➢(, and too little affecting their productivity and possibly replacing them with salt marsh or cyanobacterial communities. Restoring mangroves, therefore, is complex as requires matching the species composition by soil salinity and humidity and investing in preparing the conditions that are within the control of the project. In the Red River Delta, it will also require considering how to address changes in the landscape such as dams, roads, physical forms of flood control, and dredging of channels that are altering tidal flow patterns. Vietnam has examples of successful mangrove restoration in different parts of the country (both the south and north) at a small scale. National universities and local organizations have remained actively involved, revealing expertise and knowledge that can be tapped for designing the project

7. Vietnam has had some successful pilots on planting of sandy soil forests, but activities at scale have been limited. In a few sites, with inputs and labor, pilot efforts have been successful in using vetiver grass (which can survive in very harsh conditions) to stabilize sand dunes. This is then followed by the planting of fast growing trees. Implementation of such processes at scale will require coordination among local farmers, local government and forest managers. It will

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require time, commitment and resources from those involved. Such efforts, can be successful, and may need to be considered for this project. The priority, however, will be on protecting existing stands of coastal forests (both sandy soil and mangroves).

8. Augmenting forests contribution to development, adaptation to climate change, and reduced emissions will require working with different institutions in the sector and with local government. Forest Management Boards will be a key institution to engage with. State Forestry Companies (SFCs), will also be important as they manage about 14 percent of the country➢(s forests - approximately 1.95 million hectares (ha) of forest. However, having them work with different institutions will be difficult. The forestry administrative system is somewhat fragmented, and the capacity and qualifications of the managerial, scientific and technical staff needs to be improved. There is limited collaboration among the departments in MARD, both at the national and subnational level. MARD will also have to work with the Ministry of Natural Resources and Environment (MONRE) as the latter is responsible for climate change and coastal zone protection. Adding to the challenge of working with different institutions is the reality that SFCs tend to operate with excessive debt, dysfunctional business arrangements, unclear land rights, poor forestry practices, high overheads and unnecessarily large numbers of employees. Reforming these companies will involve meeting a complicated set of requirements which have high compliance costs.

9. Coastal forests that are classified as protection are generally under the responsibility of Forest Management Boards. In some provinces in the Red River Delta, the Commune People➢(s Committee (CPC) also manage these forests. The main management methods used is to establish protection teams comprising representatives of commune police, military, veterans and village chiefs either part-time or full-time. There are a few areas managed by enterprises and other organizations. In the north central region, management boards are responsible for management of the majority of protection forest and special-use coastal forests. In addition to management boards, CPCs are also directly involved in management as are households and communities and enterprises and other organizations (e.g., armed forces). Some coastal protection forests has been temporarily assigned to enterprises or tourism organizations for management such as Sam Son, and Cua Lo.

10. Provincial governments need to also be engaged in promoting the use of forests for development, adaptation to climate change and reduced CO2 emissions, as they develop provincial spatial plans that deliver on the national strategies, plans, and targets. Provinces are often delegated the responsibility of meeting national objectives without adequate budget or support to implement the activities. Provinces➢(spatial plans reflect how they will achieve the targets. These plans often weak because the provinces do not have the needed evidence to make informed decision. They also have limited capacity to develop well-integrated spatial plans.

Relationship to CAS/CPS/CPF

1. The new country partnership framework between Government of Vietnam and World Bank will be prepared in fiscal year (FY) 2017. Two of the priority reforms in the recently completed strategic country diagnostic (SCD) include (i) augment resilience to climate change and benefits from mitigation and (ii) modernize agriculture and management of natural assets. The former acknowledges the importance of coastal forests in reducing vulnerability to climate change in parts of Vietnam. The recommendations include increasing investments in reducing exposure and vulnerability of cities and rural communities to climate change, improving the information base it uses to inform plans and investments, strengthening coordination and planning for climate change across sectors and levels of government, and, at the provincial and municipal, design land use plans that take into consideration disaster risks. The priority reform on modernization of agriculture and management of natural assets, recommends some economy-wide

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reforms especially in relation to land consolidation and land markets, the role and operating conditions of state-owned companies. It also recommends seizing opportunities created by the changing consumption patterns of the Vietnamese society and in export markets, including for wood products.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed development objective is to modernize practices in and strengthen the contribution of the forest sector to climate change mitigation, resilience in coastal areas, environmental benefits and improved livelihoods in targeted areas.

Key Results (From PCN)

1. The anticipated key results (or intermediate outcomes) from the project are:

➢(Improved systems/modalities in implementation of priority schemes in MARD➢(s Target Program for Sustainable Forest Development 2016-2020 (TP)

➢(Improved integrated coastal zone planning and management (ha)

➢(Increase livelihood benefits (e.g., from aquaculture in mangroves, long-rotation timber, PFES from carbon, tourism & fisheries)

➢(Adoption of long-rotation timber (ha), and incentive system for its promotion

2. The target beneficiaries are expected to include: coastal communities, small-holder forestry and households involved in sustainable forest management (SFM); Protection Forest Management Boards (PFMBs), State Forest Companies (SFCs), provincial, district and commune governments, and Ministry of Agriculture and Rural Development.

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D. Concept Description

Component 1: Good Practice Systems for Forest Sector Restructuring (USD 16 Million of which IDA is USD8 Million and GoV financing is USD 8 Million))

1. This component will focus on key policies and mechanisms for unlocking the opportunities associated with forest sector restructuring. The activities will be focused on putting in place needed capacity and incentives for effectively implementing key aspects of forest sector restructuring (i.e., protection and production forests). This component would support the implementation of good practices for restructuring the forest sector to achieve the two key objectives of MARD➢(s TP mentioned above. It will focus on providing support to make more operationally effective forest economic entities (companies, cooperatives, FPB, forester cooperative groups etc.). The emphasis will be on transitioning existing plantations of short rotation timber to long-rotation timber, and good practices of cooperative management and improving economic linkages for forest products (e.g., through certification). It will also involve reviewing ways to generate payments from sectors other than hydropower and tourism for ecosystem services generated from forest protection (e.g., from aquaculture). Lastly, it will strengthen the capacity of provincial governments to develop integrated spatial plans for coastal

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areas that integrate the use of forest resources and other land uses. This component will largely be administered by the central unit in MARD.

Subcomponent 1.1: Support and enable integrated spatial planning of coastal zones

2. Spatial planning underpins investment decisions made by the provinces. These plans are developed on the basis of information, if available, on land suitability, land use and other relevant spatial data. The plans generally include sectoral components and are informed by evidence. Participatory planning (or planning involving a representatives of all the key stakeholder groups), while noted as important in the policies, is not well implemented in Vietnam. This requires a different approach to planning and requires having the necessary evidence to effectively decide how to minimize trade-offs.

3. The purpose of this subcomponent is to assist provinces to better integrate the management and use of coastal forests to reduce (directly and indirectly) exposure to climate change into their spatial plans. The aim is to improve the content and quality of the planning of coastal areas in their spatial plan and ensure that the various sectoral plans are well integrated.

4. The activity will include in addition to capacity building, investments in upgrading the systems (technological and institutional) for repeated collection and compilation of necessary evidence for informed decision-making regarding investments in and management of coastal areas. The subcomponent will also support improved development of integrated spatial plans by bringing together sectoral representatives of local government and facilitate the process injecting relevant data into decision-making. Where relevant the subcomponent will also support interprovincial exchanges and coordination.

Subcomponent 1.2: Develop and strengthen policies and mechanisms for improving management of existing production forest

5. Building on the foundation of the Forest Sector Development Project, this subcomponent would aim to improve management of existing plantations to promote generation of increased revenue and ecosystem services. More specifically, this subcomponent would strengthen mechanisms for promoting the transition of existing short-rotation timber plantations to long-rotation timber plantations. The specific policies and mechanisms will be determined through a prioritization exercise. It is anticipated that this component will support transitioning the technical forest management practices to manage plantations for long-rotation timber, improvements in the capacity of economic entities in the forest sector to obtain forest certification, and improved access to credit and risk mitigation instruments.

6. The activities may also include:

- Development of financial and business models in the forest sector that support and increase the value addition to forest products
- Advancement of SFC reform through an in-depth analysis of a few of the most promising state companies to be commercialized, conducting pilots and developing investor outreach programs

Component 2: Coastal Forest Development and Rehabilitation (USD 130 Million of which IDA is UDS 118 Million and GoV financing is USD 12 Million))

7. This component would support the development, rehabilitation and sustainable management of coastal forest ecosystems and buffer zones. It will work with biophysically and financially viable options for augmenting the role of coastal forests in climate change resilience of Vietnam's Red River Delta and North Central provinces. The investments would be

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implemented in a set of provinces where provincial governments have committed to the management and restoration of coastal forests in their Master Plans. In the selected provinces, and provincial level government (DARD and DONRE) must be willing to provide secure long-term benefits to the local stakeholders.

8. The exact number of provinces that will receive support from the project will be determined during preparation following a better assessment of costs, spatial mapping of mangrove and sandy soil forest areas, financing mechanism, and more. This component would also aim to scale out positive PFES experiences on coastal forests, including payments from the aquaculture and tourism sectors. The selection of provinces will be made based on the following indicative criteria:

- Inclusion of coastal forestry plantations in provincial land use plans
- The participation of the province might have additional regional impact (e.g., contiguous coastal forest areas)
- Willingness to borrow for obtaining project support
- Coarse level assessment of ecological feasibility of coastal forest rehabilitation and planting
- Contiguity of existing and planned coastal forests
- Vulnerability/ exposure to extreme weather events
- Clarity over ownership and management of land
- Potential for leveraging other project activities (e.g., Emission Reduction Program)

Subcomponent 2.1: Support Development, Rehabilitation and Sustainable Management of Coastal Forests

9. This proposed subcomponent will include:

- Determining the biophysical, economic and institutional feasibility of rehabilitating and planting coastal forests at potential sites in selected provinces
- Protection and management of existing and afforested and reforested mangroves and sandy soil coastal forests through the adoption of co-management models involving communities/ households. The indicative target is at least 50,000 ha
- Rehabilitation of coastal forests, including enrichment planting. The indicative target is at least 10,000 ha of coastal forest area will be rehabilitated. This will be largely done through enrichment planting
- Planting mangroves and protection forests in coastal terrestrial areas where they have been fully degraded. The indicative target is 5,000 ha of mangrove forests and an additional 5,000 ha of sandy soil forests
- As part of the planting process, the groups involved will be supported to establish high quality forest nurseries

10. The financing would cover costs associated with: goods and services required to support the planting and rehabilitation efforts - vehicles, tools, seedlings, transport of seedlings, technical service providers, and so on.

Subcomponent 2.2: Support for Livelihood Activities

11. The activities associated with this proposed subcomponent would put in place arrangement needed to ensure communities that are involved in the protection and planting of coastal forests are able to derive benefits from these ecosystems and secure rights to long-term benefits.

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Component 3: Climate Change Mitigation through Financing for Sustainable Forest Enterprises (Indicative financing: IDA USD 20 Million IDA)

12. The component would aim primarily to provide the financial support to transition existing plantations of short-rotation timber to long-rotation timber. The underlying rationale is that the longer rotation will allow the forest owner to access more profitable markets and also adopt forestry practices that assist with reducing net GHG emissions from the sector. The component would also seek create a linkage among the objectives of climate-change mitigation, production forestry and sustainable financing. The work would draw on experiences under the recently closed FSDP and the ongoing Forest Carbon Partnership Facility (FCPF) operation which is developing climate change mitigation plans and methods for the country►(s forest sector.

13. The component proposes to work through the services of the Vietnam Bank for Social Protection (VBSP). VBSP act as the financial intermediary that would provide organizations and individuals with loans to lengthen the forest cycle, adopt sustainable management practices for their forests, and create value added (via the sale of long-rotation timber and carbon credits in existing and emerging markets). As in the FSDP operation, eligible producers could take out loans for forestry plantations from VBSP, and repay the loans at harvest time. This would ensure that the component would be largely self-financing and sustainable through a reimbursable funding mechanism. Technical assistance would be provided in ways compatible with current government policy on ODA.

14. The main proposed activities include:

►(¢ Credit for an estimated 50,000 ha of existing plantations managed for short-rotation timber that can be now be transitioned to manage for long-rotation timber and increase carbon sequestration

►(¢ Implementation of financing alternatives for technical assistance to promote improved plantation design and management

Component 4: Project Management, Monitoring and Evaluation

15. This component will include the establishment of the organizational structure for project implementation; preparation of equipment, means and technical assistance. Activities would include refurbishing accommodations for the decentralized offices, vehicles, and a fully funded monitoring and evaluation system to track project progress and impacts, and provide feedback for project improvement throughout its tenure. A separate monitoring and evaluation effort would be put in place for the climate change themes in cooperation with the FCPF and Carbon Finance operation. The component would finance specialized training for MARD and other provincial and other actors on themes such as climate change, for commercial forestry, certification, among others.

II. SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

1. The project will be implemented in a subset of the 11 provinces that are being considered for this project. The provinces are in the Red River Delta and North Central region stretching along the coast from the provinces from Quang Ninh to Thua Thien Hue. The two regions are home to a large portion of ►(near poor►(in Vietnam who rely much on natural resources for their livelihoods (mainly agriculture, aquaculture and small-scale tourism). The provinces are currently facing issues

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of over-exploitation of natural resources, unsustainable land management and degrading coastal areas and ecosystems. Red River Delta and Central Coast are among the most vulnerable regions to climate change in Vietnam. The north of Vietnam tends to have a greater proportion of higher category storms and the RRD and NC are considered to be areas of relatively ►(higher risk►(. It is predicted that without climate change adaptation measures, when the sea level rises by 100cm, over 10 percent of the Red River Delta and Quang Ninh province, and more than 2.5 percent of the area of the central coastal provinces will be at risk of being flooded. The expected change in climate and weather are likely to threaten agriculture, natural ecosystems, biodiversity, water resources, public health and infrastructure in the regions.

B. Borrower's Institutional Capacity for Safeguard Policies

1. The project will be implemented by the Ministry of Agriculture and Rural Development (MARD), whose responsibilities and mandate covers forestry, aquaculture, and irrigation and is also involved in water management and flood control, among other issues. Within MARD, Management Board for Forestry Projects (FMB) will be in charge of this Project.

2. MARD is experienced in implementing various World Bank-financed projects including those relating to forestry, and has demonstrated reasonable implementation capacity. The Management Board for Forestry Project was responsible for the World Bank financed FSDP, which was closed recently. They are familiar with Bank procedures and policies including environmental and social safeguards. Further to that, the proposed project will also aim to strengthen the Borrower capacity in handling environmental and social aspects related to forest modernization, and coastal forests enhancement.

C. Environmental and Social Safeguards Specialists on the Team

D. POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The overall environmental impacts from the proposed activities are expected to be largely positive. The project supports the implementation of good practices for restructuring the forest sector, which will result in improved operation effectiveness of forest economic entities, enhanced cooperative management and economic linkage models in forestry (e.g. sustainable forest management certification, etc.), and integrated spatial planning for coastal areas. Potential investments to increase mangrove cover are expected to reduce coastal erosion, and provide erosion protection to farms and villages located in sensitive coastal areas, which contribute to enhancing climate resilience. The afforestation and reforestation activities proposed under the project will result in carbon sequestration. Financing for Sustainable Forest Enterprises also contribute to increasing carbon sequestration,

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		improving plantation design and management, and encouraging good forest practices (long-rotation timber plantations and other techniques). Besides the expected positive impacts of the project, there are aspects of each component that may have direct impacts as well as induced impacts that need to be considered during the preparation and implementation of the project. The planning activities in Component 1, if not done properly, could have potential environmental and social implications on landscape use and impacts to the focused ecosystem as well as other interrelated ecosystems. Activities related to SFCs could have undesirable environmental and social impacts if not properly planned with adequate consultation, such as land tenure conflicts. This issue will considered in an in-depth analysis and adequate consultation and mitigation measures will be included in the safeguards instruments to be developed for the project. For component 2, infrastructure necessary for forest planting and rehabilitation may include water supply, drainage, construction of rural access roads and power supply. These investments are expected to be of small-scale and localized, and will not require full environmental assessments. The project sites are generally lands/mangrove and protection forests which have already been converted. The project sites are expected to be located in a scattered manner in the selected coastal provinces in the North and North Central regions. During preparation, the TT will ensure that the counterpart provides the Bank with an assessment of the adequacy of land use allocations for the management, conservation, and sustainable development of forests, including any additional allocations needed to protect critical forest areas. This assessment should be taken at a spatial scale that is ecologically, socially and culturally appropriate for the forest area in which the project is located. Component 3 may have safeguards implications resulting from the 50000 ha of forests for which there are loans because it entails (i) planting coastal forest and (ii) extending the short-rotation timber to

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		long-rotation timber plantation. The project will develop eligibility and implementation criteria to ensure that the issuances of loans complies with best environmental and social management practices (such as: must be production forest only, and with land use right certificate). An Environment and Social Management Framework (ESMF) including an Environmental Management Plan (EMP) will be developed to guide the screening and assessment of environmental and social impacts of project activities. The ESMF will include analysis/assessment of project➢(s potential environmental and social impacts (positive and negative) both at the landscape and subproject levels, and will also capture the institutional and policy issues identified in the SESA and ESMF for the FCPF. Site-specific ESIAs/ESMPs for all the sub-projects that are going to be identified by appraisal will be prepared and disclosed prior to appraisal. For those prepared during the project implementation phase, ESIAs/ESMPs will be prepared and disclosed according to the Environment Framework Guideline. The ESMF will include a separate section covering the financial intermediary, the VBSP, which provides financing/on-lending to organizations and individuals to lengthen the forest cycle, adopt sustainable management practices for their forests, and create value added (under Component 3). This section will spell out the specific screening criteria for the proposals to be financed by the VBSP and the responsibility for environmental and social safeguards supervision during implementation.
Natural Habitats OP/BP 4.04	Yes	The Project will be implemented in coastal forest areas. Afforestation and reforestation activities may have potential impacts on natural habitats if poorly planned or implemented. Afforestation activities may transform certain non-forested ecosystems while reforestation in coastal areas may displace production and induce deforestation in other ecosystems or have trans-boundary implications. Environmental screening will be carried out according to the Environment Framework Guidelines to determine whether any of the proposed investments will impact natural habitats. It is

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		unlikely that the project would significantly convert or degrade natural habitats as the project sites are generally lands/mangrove and protection forests which have already been converted. At PCN stage, no afforestation is planned. During project preparation, when the provinces, districts and communes are identified, surveys and studies will be undertaken to assess the potential impacts on specific ecosystems. In case it is determined that the project will involve degradation of natural habitat, the ESMF will include mitigation measures acceptable to the Bank. Offset mechanisms may be needed and developed.
Forests OP/BP 4.36	Yes	Component 1 supports the implementation of good practices in forest management and planning; Component 2 focuses on the development, rehabilitation and sustainable management of coastal forest ecosystems and buffer zones (activities include mangrove afforestation and reforestation, and coastal forests rehabilitation in targeted areas); and Component 3 finances Sustainable Forest Enterprises to increase carbon sequestration, improve plantation design and management; and encourage the expansion of longer-rotation timber. It is expected that these activities will largely create positive impacts on forests, forest health and forest-dependent communities. The ESMF will include measures to ensure that both commercial and small-scale activities will be carried-out consistent with the policy including certification or time-bound planning as applicable. During preparation when the detailed project is designed, team will identify if a Forest Management Plan (FMP) is required. Consideration of an FMP will then be included in the TOR for ESMF, if applicable.
Pest Management OP 4.09	TBD	It is likely that the support of livelihood activities (relating to agriculture and aquaculture) under Component 2 as well as the nursery investments and plantations may involve the purchase and application of pesticides. This may lead to the adoption of sustainable integrated pest management, for which it may be necessary to prepare a Pest Management Plan.
Physical Cultural Resources OP/BP 4.11	TBD	Forestry activities and associated physical infrastructure may directly impact sites of cultural importance. The ESMF will include measures for

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		review of plantation sites and chance-find procedures, including spirit areas and other sites of cultural or religious importance to local communities.
Indigenous Peoples OP/BP 4.10	Yes	The OP/BP 4.10 on Indigenous People will be triggered. The proposed project will be implemented in a subset of 11 proposed coastal provinces from Quang Ninh to Thua Thien Hue where ethnic minority communities (Dao, Tay, Muong) are known to be present. The projectaims to develop coastal forest and forest sector value added in targeted areas while improving livelihood activities (aquaculture in mangroves, long-rotation timber, PFES from carbon, tourism and fisheries) that could benefit to the local ethnic communities. Since the precise areas of impact of the project cannot be determined before appraisal, an Ethnic Minority Planning Framework (EMPF) will be developed and attached to the Environmental and Social Management Framework (ESMF). The EMPF provides for the screening and review of sub-projects to be identified during implementation in a manner consistent with this policy. It also provides processes and procedures to conduct Social Assessments (SA) and free, prior and informed consultations (FPIC) during implementation. Where broad community support to the project cannot be ascertained, the project will not be implemented. For broad community support, the engagement of civil society organizations who work on ethnic minority will be important to support the consultation process and promote the meaningful participation of the EMs in project activities. The engagement of CEMA at all levels will also play an important role. On the basis of the SA and the FPIC process, where there is broad community support, a detailed report will be prepared that documents SA findings, the records and outcomes of the FPIC process with the EM community as a basis for ascertaining where there is such support. In addition, a freestanding feedback and grievance redress mechanism will also be established to receive, identify and resolve EM concerns and grievances. The SA will identify potential negative impacts of respective project activities and opportunities to enhance positive benefits. Site-specific Ethnic Minority Development Plans (EMDPs) will be

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		developed based on the result of the SA and free, prior and informed consultations, and disclosed locally before respective project activities which the EMDP supports starts implementation. EMDPs will be disclosed prior to appraisal for all the sub-projects that will be identified prior to or by appraisal.
Involuntary Resettlement OP/ BP 4.12	Yes	The OP/BP 4.12 on Involuntary Resettlement will be triggered. Proposed project activities are unlikely to require any significant land acquisition, relocation or access restrictions to natural resources. Future project activities, however, may involve restrictions of access to forests and forest products for local communities to coastal protection forests. Hence a Resettlement Policy Framework will be developed. Component 2.1 will support protection and management of existing and afforested and reforested mangroves and sandy soil forests through the adoption of co-management models involving communities/households (including participatory integrated coastal zone management). A Process Framework (PF) for restriction of access in accordance with the OP 4.12 will be prepared prior to appraisal to guide processes and procedures on all project activities to identify, assess, minimize and mitigate potential adverse impacts on local livelihoods. The project will support the implementation of specific action plans to provide livelihoods support following the criteria and procedures specified in the PF. Site-specific RAPs and Action Plans for Access Restrictions for all sub-projects that are going to be identified by appraisal will be prepared and disclosed prior to appraisal. The other social risks caused by the project include encroachment of agricultural households in coastal forest areas and the unsanctioned use of wood from mangroves for fuel, issues of access and rights to land. The mitigation measures will be detailed in the Environmental and Social Management Framework (ESMF) and weather variability and land suitability assessments will be done prior to identifying specific sites.
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any large dams as defined under this policy, and project-financed activities are not impacted by dams.

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Projects on International Waterways OP/BP 7.50	No	The policy is not triggered because the project is not located in any areas of international waterways as defined under the policy.
Projects in Disputed Areas OP/ BP 7.60	No	The policy is not triggered because the project is not located in any known disputed areas as defined under the policy.

E. Safeguard Preparation Plan

1. Tentative target date for preparing the PAD Stage ISDS

08-Dec-2016

2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The ESMF and environmental and social impact assessments required for each project activity (if applicable) will meet the Bank➢(s requirements for public consultation during ESMF preparation and during sub-project design, implementation, monitoring and evaluation. Environmental and social safeguards instruments will be prepared prior to appraisal for those investments that are to be implemented in the first 18 months of implementation. All others will be prepared during project implementation in accordance with the Environmental Framework Guideline that will be prepared prior to Project appraisal. The ESMF and other relevant safeguard instruments for the first year sub-projects (if required) will be disclosed before project appraisal in country in local language and through the InfoShop in English.

III. Contact point

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V. Approval

Task Team Leader(s):	Name: Diji Chandrasekharan Behr,Lan Thi Thu Nguyen,Robert Ragland Davis	
Approved By		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 14-Sep-2016
Practice Manager/ Manager:	Name: Iain G. Shuker (PMGR)	Date: 15-Sep-2016
Country Director:	Name: Ousmane Dione (CD)	Date: 20-Sep-2016

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

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