
Annual Performance Report

Project/Programme title:	Achieving emission reduction in the Central Highlands and South Central Coast of Viet Nam to support National REDD+ Action Programme goals (RECAF) (FP250)
Accredited Entity:	International Fund for Agricultural Development (IFAD)
Date of Report submission:	14 April 2026
Version number	V1.0



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RATIONALE

This report layout is designed to support the drafting of a structured report that assesses, evaluates, documents, and communicates the progress on Funding Proposal (FP) implementation and on its associated Funded Activity Agreement (FAA). The layout aims to provide a clear and comprehensive understanding of key objectives, progress, and risks, drawing on project implementation related data provided by Accredited Entities (AEs). Considering the Green Climate Fund's (GCF) evolving strategic direction toward a Risk-Based Approach, the report is intended to:

- Track quantitative and qualitative progress of the project implementation.
- Highlight critical findings and emerging trends.
- Identify risks and propose actionable mitigation strategies.
- Support evidence-based decision-making.
- Promote transparency and accountability.
- Align with strategic and regulatory frameworks.
- Serve as a foundation for AE engagement on project performance

METHODOLOGY

The report's layout mirrors, to the extent possible, the structure of the Funding Proposal (FP) to maintain coherence with the presented information. However, the FP and the Report differ in scope and strategic intent; thus, while the FP serves a functional role in informing the Report, it does not dictate a strictly parallel structure.

A. PROJECT DATA (Prefilled where possible)

Should any information/data prefilled from Section A.1 to Section A.12 be incorrect or require updating, please inform GCF's Project Lead of appropriate corrective action.

A.1. Date of report submission		14 April 2026														
A.2. Project or programme	Project	A.3. Sector	Public													
A.4. Total Financing (GCF + Cofinance)	<table border="1"> <tr> <td>GCF Financing</td> <td>Mill. USD 35.0</td> </tr> <tr> <td>Grants</td> <td>Mill. USD 35.0</td> </tr> <tr> <td>Co-Financing</td> <td>Mill. USD 61.1</td> </tr> <tr> <td>SeniorLoans</td> <td>Mill. USD 32.4</td> </tr> <tr> <td>InKind</td> <td>Mill. USD 28.6</td> </tr> <tr> <td>Total Financing</td> <td>Mill. USD 96.1</td> </tr> </table>				GCF Financing	Mill. USD 35.0	Grants	Mill. USD 35.0	Co-Financing	Mill. USD 61.1	SeniorLoans	Mill. USD 32.4	InKind	Mill. USD 28.6	Total Financing	Mill. USD 96.1
	GCF Financing	Mill. USD 35.0														
	Grants	Mill. USD 35.0														
	Co-Financing	Mill. USD 61.1														
	SeniorLoans	Mill. USD 32.4														
	InKind	Mill. USD 28.6														
	Total Financing	Mill. USD 96.1														
A.5. Total GCF funding disbursed to this date	NA (draft)															
A.6. Implementation period	From NA to NA															
A.7. ESS Category (Refers to GCF revised <i>Environmental and Social Policy</i> and GCF ESS Standards to assess your FP category.)			Category B													
A.8. Executing Entity Information																
Full legal name	Country of registration (or, for intl orgs, country of HQ)	Entity type	Role in project	Focal Point(s) and email(s)												
The Government of Viet Nam, acting through the Ministry of Agriculture and Environment (MAE) and the Provincial Peoples Committees (PPCs) of Dak Lak, Gia Lai, Lam Dong, and Khanh Hoa provinces.	Viet Nam	Public sector – Government (which may be acting through a ministry or department)	Lead Executing Entity	RECAF Dak Lak: Mr. Pham Ngoc Nam, email: recafdaklak@gmail.com RECAF Lam Dong: Mr. Pham Hung Vy, email: ppmu1recaflamdong@gmail.com RECAF Khanh Hoa: Mr. Le Xuan Tu, email: phongqla.oda.khanhhoa@gmail.com RECAF Gia Lai: Mr. Tran Manh Hung, email: recafgialai@gmail.com RECAF MAE: Mr. Tran Hieu Minh, email: hieuminh08@gmail.com ; Ms. Nghiem Phuong Thuy, email: thuybluemoon@gmail.com												

A.9. Co-Financier information

Full legal name	Country of registration (or, for intl orgs, country of HQ)	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
International Fund for Agricultural	Italy	Juan Carlos Mendoza, Director, Environment, Climate, gender and social inclusion division	International financial institution (IFI) and	IFAD

Full legal name	Country of registration <i>(or, for intl orgs, country of HQ)</i>	Focal Point(s) and email(s)	Ownership Type	Beneficial Owner(s)
Development (IFAD)		Pierre Yves, Lead Climate and Environmental Funds Guedez,p.guedez@ifad.org;	specialized UN Organization	

A.10. Alignment with country NDCs & NAP *(NB Only populate if applicable, e.g., if your project/programme specifically contributes to a country's NDC or NAP target/s)*

Country	Date of NDC/ NAP submission	NDC/ NAP objective	Brief description of project's alignment with NDC/ NAP objectives	Percentage of target met with proposed project.Beneficial owner(s)
Viet Nam	7 November 2022	Viet Nam's Revised NDC aims to reduce its greenhouse gas emissions by 9% compared to the business-as-usual (BAU) scenario by 2030. This target can be increased to 27% with international support.	RECAF directly supports Viet Nam's NDC by reducing greenhouse gas emissions from deforestation and forest degradation, strengthening forest resilience, and expanding national forest cover in key regions of the Central Highlands and South Central Coast. Through its REDD+ focus—central to Viet Nam's National Climate Change Strategy—the project deploys three core actions aligned with NDC targets: protecting natural forests in high risk areas; restoring degraded landscapes through sustainable forest management; and promoting deforestation free value chains for major agricultural commodities. By mobilizing co financing from the government, GCF, IFAD, beneficiaries, and the private sector, and by complementing initiatives such as GCF FP125, UN REDD, FCPF, and the LEAF Coalition, RECAF strengthens national capacity to meet Paris Agreement commitments while improving local livelihoods.	0%

A.11. Estimated duration of impact	
A.12 Report to be shared with NDA	Yes ☐ No ☐

B. EXECUTIVE SUMMARY

Should any information/data prefilled in Section “B” be incorrect or require updating, please inform GCF’s Project Lead for appropriate corrective action.

B.1. Summary

Viet Nam’s rapid economic growth has quadrupled per capita GHG emissions from 0.79 tCO₂eq in 2000 to 3.81 tCO₂eq in 2018, contributing to pollution, climate impacts, and forest degradation. Although the country maintains 42% forest coverage, natural forests continue to decline, especially in the Central Highlands, which lost over 360,000 hectares between 2010 and 2018. With timber revenues from natural forests halted since the 2016 logging ban, forest-dependent communities face increasing livelihood pressures. RECAF addresses these challenges by promoting deforestation-free value chains, alternative livelihoods, and community-based forest management to reduce drivers of deforestation.

The RECAF project, co-financed by the Government, GCF, IFAD, beneficiaries, and the private sector, directly contributes to Viet Nam’s NDC and REDD+ goals by reducing emissions, strengthening forest resilience, and improving livelihoods across Gia Lai, Dak Lak, Lam Dong, and Khanh Hoa. Its core interventions include protecting natural forests, restoring landscapes through sustainable management, and establishing deforestation-free agricultural value chains. RECAF complements ongoing initiatives such as GCF FP125, UN-REDD, FCPF, and the LEAF Coalition.

Although AFOLU emissions have decreased nationally, this masks losses in natural forest biodiversity and ecosystem services due to expanding monoculture plantations. RECAF therefore aims to enhance biodiversity, increase natural forest coverage, and further reduce AFOLU-related emissions. The project’s two outcomes focus on mainstreaming REDD+ at the local level, supported by a provincial 4Ps platform, upgraded NFMS, SIS systems, and strengthened, reducing emissions through sustainable value chains, carbon stock enhancement, climate adaptation, equitable livelihood benefits.

RECAF will reduce an estimated 684,338 tCO₂eq, develop 145,000 hectares of agroforestry and community forest management systems, indirectly protect 500,000 hectares of natural forest. The project will reach 420,000 direct beneficiaries and support Viet Nam’s compliance with emerging market requirements, including the EU regulation on deforestation-free products, while contributing to GCF-2 targets on food systems, ecosystems, and mitigation.

C. RESULTS AND IMPACTS

C.1. Overall Summary of the Project Progress

(This section provides a narrative report summarizing the overall progress of the implementation status of the funded activity progress during the reporting period. 1,500 words)

Although this APR report covers the period January – December 2025, and RECAF notice of effectiveness was issued on 26 February 2026, which serves as official start date. The below is a brief status update of the project's progress since effectiveness, which mainly focused on start-up, with the following activities being implemented:

- Establishment of the 5 Project Management Units (PMUs) in each of the 5 Executing Entities, namely at the Central Department of Forestry and Forest Protection (VNFOREST), within the Ministry of Agriculture and Environment (MAE) and in the four project provinces Gia Lai, Dak Lak, Lam Dong, and Khanh Hoa. The PMUs are now fully staffed, operational, and ready to initiate implementation activities.
- The Project Implementation Manual was jointly developed by IFAD and the five PMUs and was approved in November 2025 by the EEs and received no-objection from IFAD. It was shared with the GCF as part of the 1st disbursement request package submitted on 03 March (as per FAA clause 9.01.a.v). In addition, VNFOREST and the four provinces have adapted and operationalized the PIM into entity-specific manuals tailored to their respective institutional and provincial contexts, thereby facilitating smoother rollout during implementation.
- Facilitation of the ratification of the five Subsidiary Agreements (SAs). Parallel to the countersignature of the GCF–IFAD Funded Activity Agreement (FAA) in December 2025, IFAD facilitated the preparation and countersignature of five Subsidiary Financing Agreements (SAs) with the 5 EEs: MAE and the four People Provincial Committee (PPCs) provinces. All agreements were signed by January 2026. For the project to become effective, the ratification process—requiring concurrence by the State President and formal notification. The SAs for Lam Dong and MAE were ratified on 31 December 2025 and 01 March 2026 respectively, the remaining SAs from Khanh Hoa, Gia Lai, Dak Lak provinces are ongoing and expected to be conclude by the end of March 2026.
- An inception workshop was held on 29-30 January 2026, in Dak Lak province, bringing together approximately 200 participants. Attendees included representatives from the Ministry of Finance (Department of Debt Management and Foreign Economic Relations, acting as Viet Nam's NDA), the GCF (APR sub-region), the UN Resident Coordinator Office, the five Executing Entities, and IFAD. More details can be found in the Inception report that was submitted on 10 March, and cleared by GCF on 18 March.
- The five Annual Workplan and Budget Plans (AWBP) were developed by five PMUs. Two of them received no-objection by IFAD, three are being revised and updated, based on IFAD's feedback. Finalisation is expected from MAE and the respective PPCs, and IFAD no-objection for all in March 2026, enabling implementation to commence.
- Spatial Priority Updates: Provincial governments have updated spatial prioritization for project-related agroforestry activities and Improved Forest Management (IFM), ensuring no overlap with areas currently engaged in LEAF Coalition results-based payments for natural forest carbon pools.
- Value Chain Adjustments: Given the nationwide elimination of district-level administration as part of ongoing public administrative reform, the originally planned district-level 4P (Public–Private–Producer Partnership) platforms have been redesigned. They will now be established at the provincial or commune level, ensuring operational feasibility and alignment with the new administrative structure.

C.2. Performance against the Funding Proposal Logical Framework Indicators

For each of the indicators please report only the 'annual value' for the reporting year; this means reporting solely the values achieved from January 1st, 2025, to December 31st, 2025. The "cumulative value" will automatically be updated by the system by aggregating reported annual values since project FAA effectiveness.

Please ensure that targets are clearly defined and reported using the following categories:

- *Midterm Target: The results to be achieved by the midpoint of implementation.*
- *Final Target: The results to be achieved by the conclusion of project or programme implementation.*
- *Lifetime Target: The total results expected over the entire operational period of the project or programme.*

Note that the baseline, midterm, final and lifetime targets will be prefilled based on your previous Annual Performance Report and/or Funding Proposal. It is imperative that you carefully review, verify and update where relevant.

Should the project be Multicounty, please report the achievement by Country.

Lastly, avoid using commas or periods as thousand separators. Periods should only be used as decimal separators.

For REDD+ Results-Based Payment (RBP) projects, you are only required to report on the progress of activities.

Should any prefilled information/data in the Logical Framework be incorrect or require updating, please inform GCF's Project Lead for appropriate corrective action.

GCF Outcome Level: Standardized Indicators

PMF/IRMF Results Management Framework

No indicators/questions defined.

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered						
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq) as a result of GCF support.						
Unit						Tonnes of CO ₂ -equivalent
Baseline	Mid-term	Target Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
0	0	1,110,000	6,680,000	0	0	0

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered							
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq) as a result of GCF support, disaggregated by result area.							
Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Result Areas (Mitigation)	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Low Emission Transport	0	0	1,110,000	6,680,000	0	0	0

(PMF) M1 Tonnes of carbon dioxide equivalent (tCO ₂ eq) reduced as a result of GCF-funded projects/programmes (IRMF) Core 1 Greenhouse gas (GHG) emissions reduced, avoided or removed/sequestered							
Provide the total GHG emissions reduced, avoided or removed/sequestered (tCO ₂ eq), disaggregated by Country.							
Unit							Tonnes of CO ₂ -equivalent
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Lifetime	Previous Year Cumulative Value	Annual value	Cumulative Value
Viet Nam	0	0	1,110,000	6,680,000	0	0	0

Forestry and land use

No indicators/questions defined.

(PMF) M9.1 Hectares of land or forests under improved and effective management that contributes to CO ₂ emission reductions (IRMF) Core 4: Hectares of natural resource areas brought under improved low emission and/or climate resilient management practices					
Provide the total degraded or converted ecosystems under restoration (ha).					
Unit					Hectares
Baseline	Mid-term	Target Final target	Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
0	70,000	145,000	0	0	0

(PMF) M9.1 Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions (IRMF) Core 4: Hectares of natural resource areas brought under improved low emission and/or climate resilient management practices						
Provide the total degraded or converted ecosystems under restoration (ha), disaggregated by country.						
Unit						Hectares
Disaggregation by: Project Countries	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Viet Nam	0	70,000	145,000	0	0	0

(PMF) M9.1 Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions (IRMF) Core 4: Hectares of natural resource areas brought under improved low emission and/or climate resilient management practices						
Provide the total degraded or converted ecosystems under restoration (ha), disaggregated by land type.						
Unit						Hectares
Disaggregation by: Land Type	Baseline	Mid-term	Final target	Previous Year Cumulative Value	Annual value	Cumulative Value
Forest Land (reforestation)	0	70,000	145,000	0	0	0

Optional Co-Benefit Indicators

No indicators/questions defined.

Total number of direct and indirect jobs (measured in full-time equivalents, female/male) created or maintained					
Provide the total number of direct jobs (measured in full-time equivalents, female/male) created or maintained.					
Unit					No. of Full-time equivalent jobs
Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target			
0	126,000	420,000	0	0	0

Total number of direct and indirect jobs (measured in full-time equivalents, female/male) created or maintained					
Provide the total number of indirect jobs (measured in full-time equivalents, female/male) created or maintained.					
Unit					No. of Full-time equivalent jobs
Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target			
0	450,000	1,000,000	0	0	0

Total number of established or strengthened institutional frameworks, policies, plans and coordination mechanisms to support climate-resilient and low-emission development					
Provide the total number of established or strengthened institutional frameworks, policies, plans and coordination mechanisms.					
Unit					No. of Items
Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value (automatically calculated)
	Mid-term	Final target			
1	1	4	0	0	0

Project Specific Indicators							
Indicator	Unit	Baseline	Target		Previous Year Cumulative Value	Annual value	Cumulative Value <i>(automatically calculated)</i>
			Mid-term	Final target			
# of households able to access new financial products	No. of Households	0	10,000	40,000	0	0	0

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
Output 1.1.1 Upgraded NFMS operational with linkages between the monitoring of NRAP, NFMS, MRV and registry system	0	0	6,432,330.09	0
Output 1.1.2 REDD+ Safeguard Information System (SIS) operational and RBP sources identified.	0	0	1,622,031.12	0
Output 1.2.1 # of PRAPs prepared and integrated into provincial SEDPs and forestry plans that ensure alignment with Warsaw Framework for REDD+, Paris Agreement, and national policies/strategies (including Vietnam's NDC and NRAP)	0	0	2,099,968.95	0
Output 1.2.2 # functioning provincial 4P platforms established. Output 2.1.1 # of district and commune-level 4P platforms implementing VC action plans	0	0	2,449,537.08	0
Output 1.1.3 # of international and domestic investments leveraged, including RBPs, identified based on the NRAP Investment Plan.	0	0	2,337,488.03	0
Output 2.1.2 # of deforestation-free value chains and alternative niche products identified and operationalized	0	0	3,374,418.61	0
Output 2.1.3 # of Financial Institutions (banks, MFIs and/or WDF) who have received TA or support to develop new products or services	0	0	1,502,918.53	0
Output 2.2.1 % of CIGs, cooperatives and SMEs reporting improvement in MCCFM through infrastructure investment	0	0	7,098,459.34	0
Output 2.2.2 Value of infrastructure upgraded	0	0	560,000.4	0
Output 2.3.1 # of households belonging to communities and forestland owners accessing PFES mechanisms. Output 1.1. # of IPFs	0	0	1,768,076.58	0

Activities				
Activity Name	Implementation Progress (%)	Utilised GCF Budget	Allocated GCF Budget	% (Automatically calculated)
established and operational through the investment identified under. Output 2.3.2 # of hectares for which performance-based PFES provides incentives to conserve or restore forest.				
Output 2.3.3 # of hectares of forestland under MCCFM	0	0	4,271,970.94	0

C.2.1. Subprojects							
Where applicable, include information on sub-projects. For projects and programmes approved until B.31, the logical framework should focus on the mitigation and adaptation Performance Measurement Frameworks (PMF). For projects and programmes approved from B.32 onwards, the logical framework should reflect the Integrated Results Management Framework (IRMF).							
Title	Currency	GCF Funds	Co-Financing	Country	GHG Emissions Reduced	Direct Beneficiaries	Indirect Beneficiaries
No subprojects involved in this project	USD	0	0	N/A	N/A	N/A	N/A
C.3. Compliance with FAA covenants				Yes ☒ No ☐			
The five Subsidiary Agreements between IFAD and the Republic of Viet Nam, through VNFOREST (under the Ministry of Agriculture and Environment) and the four provinces were signed by January 2026. All SAs were shared with GCF as part of the effectiveness request conditions (clause 7.01.b). A corrigendum letter was requested by GCF and provided to EEs and GCF on 05 February. RECAF amended and restated (A&R) FAA was executed on 11 December 2025, and became effective on 26 February 2026, after which IFAD submitted the 1st disbursement request, amounting to a USD 11,629,579 M in GCF grant and loan on 03 February. The changes to the FAA reflected the governmental restructuring which updates the provinces names and therefore EEs, as detailed in the change request submitted to and cleared by GCF.							
C.4. Funded Activity Implementation Arrangements in the Following Year				Yes ☐ No ☒			

No changes to the implementation arrangements as set out in the FAA are envisaged at this stage. The current provisions relating to institutional arrangements, stakeholder responsibilities, as well as coordination and execution mechanisms, remain unchanged and continue to be applied in accordance with the approved terms. The project is being implemented in full compliance with the framework defined in the FAA, and no revision or adjustment of the existing arrangements is planned.

D. RISKS ASSESSMENT AND MANAGEMENT

D.1. Risk and mitigation measures

As stated in the Board-approved "Risk Appetite Statement," a cornerstone of the GCF's Risk Framework is proactive risk management. This includes risk identification, assessment, monitoring, reporting and appropriate mitigation to minimize and respond to risks, both directly and through partners implementing GCF's projects and programmes.

Risk Management Matrix

A risk is the probability of an event to adversely affect the achievement of the project Impact (its objectives, outcomes, and results). "Inherent risk" refers to the level of risk present before any of the mitigating measures are applied. "Residual risk" represents the level of risk after mitigating measures have been implemented.

Please update the project risk matrix by reviewing and revising information for all previously identified risks, and adding any new risks identified during implementation by selecting the adequate Risk Area in the drop-down menu. For each risk, ensure you provide a clear risk description, outline the potential negative consequences, specify the mitigating measures in place, and complete the severity scoring as required.

For the Integrity Risk Area, an annual reporting (and more frequent and prompt reporting if stated in the legal agreements with the GCF) is required for each of its 3 Risk Sub-areas, as GCF has zero tolerance for Prohibited Practices, for SEAH in Fund-related Activities, and for working with parties and engaging in activities subject to sanctions imposed by the United Nations Security Council. The AE reporting obligations under GCF's policies and in the legal agreement(s) with the GCF include but are not limited to requiring AEs to take action to identify, mitigate and promptly disclose to the GCF any real or perceived Conflict of Interest, any alleged or suspected Prohibited Practice, promptly notify the Fund of any material risks or other indications of money laundering and/or financing of terrorism in relation to the Project and promptly take remedial steps in consultation with the GCF.

The AE shall also provide updates on the risks and mitigating measures under the other Risk Areas when changes to already identified risks or new risks have been identified.

Risk scoring:

For likelihood, please rate on a scale from 1 to 5: 1. Unlikely, 2. Possible, 3. Likely, 4. Almost certain, 5. Certain

For impact, please rate on a scale from 1 to 5: 1. Close to none, 2. Low, 3. Medium, 4. High, 5. Catastrophic

The severity of each risk is automatically computed based on the likelihood and impact of the risk.

Risk 1	Risk 1. External shocks to the macro-economy and policy environment		
Risk Origin	Project Related		
Risk Area	Legal		
Risk Sub-area	Legally defective or unenforceable transaction		
Description	At the main objective/goal level there is a risk of external shocks to the macro-economy increasing world commodity prices as a consequence of the Ukraine and Palestine-Israel conflict. 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 climate change adaptation and mitigation policies and risk the transition to deforestation-free value chains that target international markets.		
Consequences	External macro-economic shocks, such as rising global commodity prices driven by geopolitical conflicts, could reduce government fiscal space and shift policy priorities, potentially weakening commitment and resources for climate and forestry programs. This may slow down the implementation of National Target Programs (NTPs), delay investments in climate adaptation and mitigation, and hinder the transition to deforestation-free value chains aimed at international markets, ultimately affecting project implementation progress and sustainability of RECAF outcomes.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	PMUs and IFAD will mitigate macro-economic risks through close coordination with national and provincial authorities via the NRAP-SEDP process to maintain policy alignment and counterpart funding commitments. At the national level, sound macro-economic policies, including market-determined exchange rates will help manage external shocks, while at the project level PMUs will ensure strong financial analysis and prioritize high-quality, cost-effective investment with high productivity. IFAD will provide		

	technical oversight, policy dialogue and support in identifying external technical assistance where needed. At the same time, continuous engagement with relevant ministries and development partners to safeguard implementation momentum. Funding targets and modality are secured in the financing agreement and risk levels will be monitored through M&E system, AWBP, financing reviews and regular supervision missions to enable timely adjustments.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Comments	The project is in the initial stage of project implementation. No changes of risk are foreseen at this stage.		
Risk 2	Risk 2. Climate change impact		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Environmental and Social Safeguards		
Description	Climate change presents a significant risk to the project due to rising temperatures, prolonged droughts, irregular rainfall patterns and more frequent extreme weather events in the Central Highlands and South Central Coast of Viet Nam. These climate stresses may affect forest ecosystems, agroforestry systems and agricultural productivity, particularly in coffee-growing areas that are highly sensitive to climate variability. The increasing pressure on natural resources and forest landscapes could challenge the implementation of deforestation-free value chains, forest restoration efforts and climate smart agricultural practices supported by the project.		
Consequences	Climate variability may directly affect project implementation by reducing the ability and willingness of beneficiaries to adopt climate-smart agroforestry and sustainable forest management practices, especially when the short-term and productivity and income are threatened. For example, as many project beneficiaries live in disaster-prone areas, depend heavily on agriculture and natural resources for their livelihoods and have limited assets and financial capacity to invest in adaptation or recover from climate shocks. Without adequate adaptation of farming systems, crop yeilds, especially coffee is expected to decline, which may push famers to prioritize short-term sustainable practices. Extreme weather events could disrupt field activities, delay infrastructure development, training and increase operational cost, utimately slowing the uptake of project interventions and reducing effectiveness in achieving planned targets.		
Inherent Risk	Likelihood	Impact	Severity
	2 - Possible	3 - Medium	6 - Medium
Mitigation Measure(s)	The project will facilitate an economically viable transition to deforestation-free value chains, with a specific focus on forestland dependent communities, through investments in agroforestry and MCCFM, in income diversification through specialty product development, in better access to finance for the necessary technologies and infrastructure.		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	3 - Medium	3 - Low
Comments	The project is in the initial stage of project implementation. No changes of risk are foreseen at this stage.		
Risk 3	Risk 3. Lack of interest from banks to invest in climate change mitigation and adaptation		
Risk Origin	Project Related		
Risk Area	Legal		
Risk Sub-area	Legally defective or unenforceable transaction		
Description	There is a risk that the project is not able to design credit products attractive enough for banks to invest their own capital in the transition to deforestation-free value chains. These financial products must be specially tailored to the needs of individual farmers and enterprises, yet be of interest to a significant number of them. This is necessary because financial institutions' costs are primarily fixed, and therefore require scale to be profitable		

Consequences	Limited interest from banks could reduce the availability of credit for farmers and enterprises, slowing the adoption of deforestation-free value chains and climate-smart investments. This may limit private capital mobilization, reduce the scale of project implementation and weaken value chain development. In long term, reliance on project funding rather than market-based financing could affect the sustainability of RECAF interventions.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	The project will mitigate this risk by hiring qualified rural finance experts to co-design attractive and viable credit products in close collaboration with banks and value chain actors. PMUs and IFAD will facilitate partnerships, build a strong pipeline of bankable investments and stimulate demand through capacity building and deforestation-free value chain linkages to reduce lending risks. Credit uptake and bank engagement will be closely monitored through regular reviews and supervision while project targets for hectares under farmer investment have been conservatively estimated to ensure realistic implementation.		
Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Comments	The project is in the initial stage of project implementation. No changes of risk are foreseen at this stage.		
Risk 4	Risk 4. Insufficient human resources		
Risk Origin	Project Related		
Risk Area	Environmental and Social		
Risk Sub-area	Environmental and Social Safeguards		
Description	There is weak coordination at the provincial level, between departments and between provincial and district governments that may delay project implementation. There are also limited skilled and efficient contractors and service providers to implement the project in a cost-effective manner.		
Consequences	Insufficient human resources and weak coordination at provincial and district levels may delay project implementation, slow decision-making, reduce efficiency of planning and execution of activities. Limited availability of skilled contractors and service providers could lead to delays in procurement and higher implementation costs.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	The project promotes strong institutional linkages through the integrated NRAP-SEDP process in the project areas, which is instrumental to coordinate, mobilize and converge both capacity and resources for project implementation. IFAD experience gained in Viet Nam and project provinces will be vital to identifying potentially suitable contractors and service providers, coupled with rigorous screening and investigation of potential contractors prior to engagement. The IFAD country team already initiated the identification of potential external technical assistance during the design phase, which will be financed under the GCF-supported outcomes and outputs as well as the project Management Costs (PMC), within the ceiling of up to 5.5% of total project costs.		
Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Comments	The project is in the initial stage of project implementation. No changes of risk are foreseen at this stage.		
Risk 5	Risk 5. Non- synchronous GCF and IFAD approval processes cause delay in implementation		
Risk Origin	Project Related		
Risk Area	Legal		
Risk Sub-area	Legally defective or unenforceable transaction		
Description	RECAF was approved at the IFAD EB in December 2024 and the GCF Board meeting in October 2024. This slight delay of approval could potentially delay project implementation or result in asynchronous implementation.		

Consequences	This could lead to delays in project start-up, coordination challenges between financing sources and uncertainty in implementation timelines. This may slow down procurement, recruitment of PMU staffs and initiation of field activities while also creating confusion in planning and budgeting across components funded by different sources. In the absence of clear alignment, asynchronous implementation could affect coordination among stakeholders, delay disbursement of funds and reduce overall efficiency in delivering RECAF outputs and activities during the early implementation phase.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	The FAA was executed on 11 December 2025 and all SAs were executed by Jan 2026. The project inception workshop held in January 2026 clarified effectiveness, serves as official project start date, and the completion date of the project will be 6 years from that date. The project is to be implemented as one project with multiple sources of financing (GCF, IFAD and Government), having one implementation period which started from 26 February 2026 for 6 years.		
Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Comments	The project is in the initial stage of project implementation. No changes of risk are foreseen at this stage.		
Risk 6	Risk 6. Procurement delays		
Risk Origin	Project Related		
Risk Area	Legal		
Risk Sub-area	Legally defective or unenforceable transaction		
Description	Inflexible internal government regulations pose severe risks to the timely allocation of funds and disbursements. Transparency International CPI index (2023) for Viet Nam is 41, and it is assessed as a medium-risk country for corruption. There are no money laundering or terrorist financing risks identified. Viet Nam has very strict procedures for the use of public funds, including donor funds and has robust financial management systems. The only procurement risks are delays due to discrepancies between IFAD guidelines and national laws and regulations, delays in budget allocation and lengthy procurement processes.		
Consequences	Procurement delays may slow fund allocation, contract signing, and implementation of key project activities, leading to delays in infrastructure, technical assistance, and service delivery. Differences between IFAD guidelines and national regulations, along with lengthy procedures, could increase operational costs and reduce timely use of project funds, affecting overall implementation progress.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	Mitigation measures include: (i) The project management information system, including web-based accounting software, will be identified and procured at inception stage. (ii) Using IFAD's Online Procurement End-to-End System (OPEN) and ICP Contract Monitoring Tool, Financial management and procurement management will be linked. (iii) Bidders and contractors will be requested to sign self-certification forms on anticorruption. (iv) IFAD will give special attention to training project staff. See detailed description of fiduciary risks and mitigation measures in IPRM.		
Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 3 - Medium	Severity 3 - Low
Comments	The project is in the initial stage of project implementation. No changes of risk are foreseen at this stage.		
Risk 7	Risk 7. Potential weaknesses in procurement processes at local level		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Fraud / Bribery & Corruption / Collusion and any other prohibited practice		
Description	There is a potential risk of weaknesses in procurement processes at the local level that could reduce transparency or lead to non-competitive selection of contractors due to		

	limited procurement capacity and complex administrative procedures across provinces. While no incidents have occurred, this risk remains inherent in decentralized implementation and is being carefully monitored to ensure full compliance with IFAD and national procurement standards.		
Consequences	If not properly managed, this risk could lead to delays in procurement, reduced value for money, and inefficiencies in project implementation, potentially affecting the timely delivery of project activities and outputs.		
Inherent Risk	Likelihood 2 - Possible	Impact 3 - Medium	Severity 6 - Medium
Mitigation Measure(s)	The project will apply IFAD and GCF integrity and procurement guidelines, including the use of the OPEN system, strict financial management and procurement controls, and mandatory self-certification against prohibited practices for bidders and contractors. PMUs and IFAD will ensure regular training, supervision, internal and external audits, and close monitoring of procurement and financial processes, while the GRM and reporting mechanisms will enable timely detection and resolution of integrity-related issues.		
Residual Risk	Likelihood 1 - Unlikely	Impact 2 - Low	Severity 2 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 2 - Low	Severity 2 - Low
Comments	N/A		
Risk 8	Risk 8. No integrity-related incident has occurred in the reporting period, and thus there is nothing to report		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Sanctions		
Description	N/A		
Consequences	N/A		
Inherent Risk	Likelihood 1 - Unlikely	Impact 1 - None	Severity 1 - Low
Mitigation Measure(s)	N/A		
Residual Risk	Likelihood 1 - Unlikely	Impact 1 - None	Severity 1 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 1 - None	Severity 1 - Low
Comments	N/A		
Risk 9	Risk 9. No integrity-related incident has occurred in the reporting period, and thus there is nothing to report		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Money Laundering (ML) & Terrorist Financing (TF)		
Description	N/A		
Consequences	N/A		
Inherent Risk	Likelihood 1 - Unlikely	Impact 1 - None	Severity 1 - Low
Mitigation Measure(s)	N/A		
Residual Risk	Likelihood 1 - Unlikely	Impact 1 - None	Severity 1 - Low
Current Residual Risk	Likelihood 1 - Unlikely	Impact 1 - None	Severity 1 - Low
Comments	N/A		
Risk 10	Risk 10. No integrity-related incident has occurred in the reporting period, and thus there is nothing to report		
Risk Origin	Project Related		
Risk Area	Integrity		
Risk Sub-area	Conflict of interest		
Description	N/A		

Consequences	N/A		
Inherent Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Mitigation Measure(s)	N/A		
Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Current Residual Risk	Likelihood	Impact	Severity
	1 - Unlikely	1 - None	1 - Low
Comments	N/A		

D.2. Report risk incidents

If any risk (previously identified or not) has materialized, please capture it here as a risk incident.

(this section is confidential)

E. FINANCIAL INFORMATION

E.1. GCF financing

In addition to the financial report in the annex, update the table with relevant GCF financial data for each country and instrument, including amounts and allocation percentages.

Country	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
Viet Nam	Grants	USD	35	0	0	0	100%	0%
Total		USD	35	0	0	0	N/A	N/A

E.2. Co-financing

Please populate the table with relevant Co-financing data for each Co-financier and instrument, including amounts and allocation percentages.

Co-financier	Instrument	Currency (as per FAA)	Committed Amount	Disbursed Amount	Expenditure (reporting year)	Cumulative Expenditure	Mitigation	Adaptation
International Fund for Agricultural Development (IFAD)	Loans	USD	32.43	0	0	0	100%	0%
Vietnam	Grants	USD	28.64	0	0	0	100%	0%
Total		USD	61.08	0	0	0	N/A	N/A

E.3. Additional Finance Mobilised Beyond Approved Co-financing

Report the realised (cumulative value) and/or expected volume (Final Target) of private/public finance leveraged as a result of GCF involvement in the investment, in addition to and beyond any co-financing originally committed at approval. This datapoint shall be reported separately from official co-financing figures and is intended to capture the catalytic effect of GCF investments and support institutional learning.

GCF Policy: <https://www.greenclimate.fund/sites/default/files/document/policy-cofinancing.pdf>

No additional finance mobilized information provided.

No annual financial report provided.

F. ENVIRONMENTAL & SOCIAL SAFEGUARDS, GENDER, and INDIGENOUS PEOPLES

This section provides an update against the ESS standards agreed as part of the Environmental and Social Action Plan (ESAP) and Environmental and Social Management Framework (ESMF), as well as Environmental and Social Management System (ESMS), Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Indigenous Peoples Plan (IPP), Indigenous Peoples Plan Framework (IPPF), Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF) when applicable.

F.1. progress on key challenges and updates regarding Environmental and Social Safeguards

Key Environmental and Social Changes

Have there been any changes in the key environmental and social risks and impacts? If you tick 'Yes,' please provide further information.

Yes ☐ No ☒

Environmental and Social Safeguarding Updates

Have there been any change/update on environmental and social safeguarding? you tick 'Yes,' please provide further information.

Yes ☐ No ☒

F.2. Compliance with laws and regulations applicable to ESS. Gender and Indigenous Peoples.

Have there been any changes or updates regarding compliance with applicable laws and regulations of the country, as well as the relevant conditions or covenants under the FAA?

Yes ☐ No ☒

RECAF fully complies with the covenants outlined in the FAA (Clause 10) and adheres to the Green Climate Fund's Indigenous Peoples Policy and Environmental and Social Policy, ensuring implementation in line with SECAP and ESMF requirements. The project is also aligned with key national regulations and strategies, including the National REDD+ Action Programme (Decision No. 419/QD-TTg), Forestry Law (2017), Environmental Protection Law (2020), National Climate Change Strategy to 2050 (2022), Decree No. 06/2022/ND-CP on GHG mitigation, and other relevant legal and policy frameworks supporting forest protection, climate action, and sustainable development in Viet Nam.

F.3. ESS standards implementation progress

Does this reporting period include any ESS standards-related activities or updates?

Yes ☐ No ☒

If you tick 'Yes', please provide further information to report on the progress made in complying with the requirements of the relevant ESS standards that were triggered during the approval of the funding proposal and during the reporting period, if any; and the GCF Indigenous Peoples Policy, if relevant, describing achievement and specifying details outlined in the tables below.

Activities implemented during the reporting period, including monitoring

Outputs during the reporting period	
Key environmental, social and gender issues, risks and impacts addressed during implementation	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
Remarks/Notes	
F.4. Sub-projects information	
Have any subprojects been implemented?	Yes ☒ No ☐
Title of the sub-project	No subprojects involved in this project
ESS management plan/instrument in place	
N/A	
Stakeholder engagement plan in place	
N/A	
Activities/engagement conducted with Indigenous peoples	
N/A	
Key environmental, social and gender issues, risks and impacts addressed during this reporting period	

Title of the sub-project	No subprojects involved in this project
N/A	
Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention	
N/A	

F.5. Implementation of the stakeholder engagement plan	
Were any actions undertaken to increase engagement of relevant stakeholders in the project, particularly regarding environmental, social, and gender elements?	Yes ☐ No ☒

No stakeholder engagement activities have been undertaken during the reporting period.

F.6. ESS forward planning and lessons learned	
Are there any planned ESS activities for the next reporting period or lessons learned to share from this period?	Yes ☐ No ☒
Provide planned activities on environmental and social safeguards for the next reporting period	
Provide any success stories, good practices, or challenges, including those related to the engagement of Indigenous peoples and local communities, promoting Indigenous knowledge and benefits to Indigenous peoples and local communities Since the activities are still in the initial implementation phase, no activities have been implemented to date.	
F.7. Grievance Redress Mechanism - confirmation & grievances	
Please indicate whether the project can confirm the following statement:	
Fully functional and operational Grievance Redress Mechanisms are in place, have been communicated to and are accessible by all stakeholders applicable to this project	
☒ The accredited entity confirms the statement above at project-level, AE-level, and GCF-level grievance mechanisms.	
☐ The accredited entity does not confirm the statement above	
Have there been any grievances received during the reporting period? Yes ☐ No ☒	

The project has established a GRM to provide affected people with accessible, easy-to-use, and free-of-charge procedures to raise project-related concerns. The GRM clearly outlines complaint channels, steps, and timelines, and is designed to respect local practices of ethnic minority communities, including the use of local languages and dialogue-based resolution. It will be managed by provincial PMUs, which are responsible for receiving, processing, and resolving grievances within their provinces, ensuring timely handling and close coordination with local stakeholders. To date, no complaints have been received under the RECAF project. The grievance management mechanism established for all program activities is fully functional and accessible to all stakeholders, including direct beneficiaries, local communities, and involved partners. Information about this mechanism has been widely communicated during the inception workshop, which took place in January 2026, ensuring that all participants are aware of the procedures for reporting any concerns, incidents, or suggestions.

F.8. Implementation of activities and actions agreed in the Gender Action Plan

Activity 2.1.1: Develop deforestation-free commodity supply chains through 4P platforms

Are there GAP implementation activities or progress to report for this period?

Yes ☐ No ☒

Summary on Activities and Actions agreed in the Gender Action Plan (max. 200 words)

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved because of completion of an activity. Further, it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative reports on the performance of such actions, and on progress on actions identified.

GAP Activity	
Activity 2.1.1: Develop deforestation-free commodity supply chains through 4P platforms	
Indicator	
% of market reports that analyze market demand on the need for a) social inclusion and b) FPIC compliance for value chain with EM participation.	
Rating of Indicator	GREEN (on track to be met)
Baseline	0
Target, including sex-disaggregation where applicable	100
Annual progress update (Reporting Period)	
No specific activities have been implemented to date.	
Cumulative progress update (Entire period)	
No specific activities have been implemented to date.	
Budget	20,000
Currency	USD
Timeline (Planned completion of activity)	26 February 2030
Responsibility	

Monitoring and evaluation manager and Gender and social Inclusion officer.	
Remarks/Notes	
No specific activities have been implemented to date since the project is in the initial implementation phase	
F.9. Gender Action Plan implementation review	
Is the gender expert for the project/programme engaged to support the implementation of the gender action plan? If engaged previously, please advise if the gender expert has been retained by the project/programme, including plans to engage another expert if a previously engaged expert has left the project/programme.	Yes ☐ No ☒
<i>The recruitment process for the Gender staff of the RECAF has been completed and is operational.</i>	
Has the implementation of gender action plan/s being implemented according to Funding Activity Agreements and GCF's Updated Gender Policy? Please ensure that the budget is included in the reporting above if it was indicated in the approved or updated gender action plan.	Yes ☐ No ☒
<i>The project only started in February 2026, no activities to report for this reporting period.</i>	
Are the planned activities, targets, indicators, timelines, etc. on track during the reporting period?	Yes ☐ No ☒
<i>The project only started in February 2026, no activities to report for this reporting period.</i>	
Were there any revisions of the approved GAP during the reporting period? Please submit the updated GAP in Annex section of this APR and ensure that the updated GAP has details on each change.	Yes ☐ No ☒
<i>During the reporting period, no revisions were made to the previously approved Gender Action Plan (GAP). The GAP therefore remains consistent with its original version, with no modifications or updates to report for this period.</i>	
Are the reported results on track to contribute to meeting the sex-disaggregated targets for the direct beneficiaries in the funding proposal, if applicable?	Yes ☐ No ☒
<i>The project only started in 2026, no activities to report for this reporting period.</i>	

Has the project/programme experienced any implementation challenges that affect gender-related activities? If yes, please include lessons learnt and how they are informing ongoing actions.	Yes ☐ No ☒
<i>The project only started in February 2026, no activities to report for this reporting period.</i>	
Were there any best practices identified, or case studies prepared on benefits/activities undertaken as agents of action by women and the female heads of households during the reporting period? Please share any case studies in the text boxes or in the Annex section of the APR.	Yes ☐ No ☒
<i>The project only started in February 2026, no activities to report for this reporting period.</i>	
Provide planned activities on gender elements for the next reporting period	
<i>The project is in its initial stage of implementation. In the first year, the following gender related activities are planned: - Recruitment/appointment of gender related staff/consultant. - Strengthening capacity of PMU staff and relevant stakeholders through the engagement of gender expertise (integrated into project activities) and the organization of capacity-building training on gender mainstreaming. - Integrating and mainstreaming gender targets into the AWBP and project results framework, and establishing appropriate measures to effectively capture and report on these results. - Conducting the gender related hematic studies/assessments as input for effective implementation of GAP. - Monitoring the GAP implementation and accordingly revising/updating where appropriate.</i>	

G. ANNEXES (UPLOADED)
Annex 1: GHG emission reduction calculation methodology (for projects reporting GHG emission reductions) and details on the calculations of the annual and cumulative value.
File Name: G_Annexes 1&2.docx
Annex 2: Communication and visibility material
No annexes provided.
Annex 3: List of grievances received
No annexes provided.
Annex 4: Procurement information
No annexes provided.
Annex 5: Updated implementation timetable for the Funded Activity for the following year
No annexes provided.
Annex 6: Updated Gender Assessment and/or Action Plan
No annexes provided.
Additional Annexes (if applicable)
No annexes provided.

