



Mainstreaming Marine and Coastal Natural Capital Assessment and Accounting into Viet Nam's Development Planning for Blue Economic Growth of Key Sectors

Part I: Project Information

GEF ID

10906

Project Type

MSP

Type of Trust Fund

GET

CBIT/NGI

CBIT No

NGI No

Project Title

Mainstreaming Marine and Coastal Natural Capital Assessment and Accounting into Viet Nam's Development Planning for Blue Economic Growth of Key Sectors

Countries

Viet Nam

Agency(ies)

UNEP

Other Executing Partner(s)

Institute of Strategy and Policy on Natural Resources and Environment (ISPONRE) - Ministry of Natural Resources and Environment

Executing Partner Type

Government

GEF Focal Area

Biodiversity

Taxonomy

Focal Areas, Biodiversity, Protected Areas and Landscapes, Coastal and Marine Protected Areas, Financial and Accounting, Natural Capital Assessment and Accounting, Biomes, Wetlands, Coral Reefs, Grasslands, Mangroves, Mainstreaming, Fisheries, Tourism, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Stakeholders, Beneficiaries, Type of

Engagement, Consultation, Information Dissemination, Communications, Awareness Raising, Gender Equality, Gender results areas, Access and control over natural resources, Capacity, Knowledge and Research, Knowledge Generation, Capacity Development

Sector

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 0

Duration

36 In Months

Agency Fee(\$)

129,573.00

Submission Date

12/21/2021

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-1-3	GET	1,363,929.00	13,690,000.00
Total Project Cost (\$)		1,363,929.00	13,690,000.00

B. Indicative Project description summary

Project Objective

?Natural capital values and protection of coastal and marine ecosystems integrated in development planning and improved landscape management as part of the national blue economic growth policy in Viet Nam?

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
--------------------------	-----------------------	-------------------------	------------------------	-------------------	------------------------	---------------------------

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
1. Setting up the national institutional system, data and monitoring for application of natural capital accounting (NCA) for a sustainable blue economy in Viet Nam	Technical Assistance	<p>1.1 National Capital Accounting system operational, including clear institutional mandates and increased institutional capacity, for applying and monitoring a blue economic growth model</p> <p>- Target 1 <i>Institutional compatibility and consistency with NCA for all ecosystems; plus clear mandates among line agencies set up and operational regarding national Ocean accounting</i></p> <p>- Target 2: <i>updated national NCA Roadmap endorsed - involving all ecosystems and mandated agencies in Vietnam</i></p> <p>- Target 3: <i>Staff (of which >40% women) capacity in NCA of ISPONRE, Viet Nam Administration for Seas and Islands (VASI? both Ministry of Natural Resources and Environment (MONRE), General Statistics Office (GSO) ? Ministry of Planning and Investment (MPI), and provinces increased by 50%</i></p> <p>- Target 4: <i>NCA applied to monitor sustainable blue economic growth (e.g. on gender, health of coastal ecosystems, sustainable fisheries (ref. Sustainable development Goals 5, 14 and 15</i></p> <p>- Target 5: <i>NCA system design and selected data fields incorporate gender parameters</i></p>	<p>1.1.1. Coherent and consistent national methodology, institutional arrangements and national system adopted for NCA in Viet Nam - involving all ecosystems and related line agencies, whilst zooming in on Ocean accounting.</p> <p>1.1.2. Staff training and institutional capacity building on ocean/coastal natural capital accounting in support blue economic developm</p>	GET	500,000.	1,445,455.00

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
2. Integration of marine and coastal natural capital accounting into provincial and local development planning and operations in Quang Ninh Province	Technical Assistance	<p>2.1. Results of marine and coastal NCA applied toward development and implementation of blue economic growth and land-/seascape conservation planning for Quang Ninh Province</p> <p>- Target 1: <i>Results NCA included in 5 years socio-economic development planning Quang Ninh</i></p> <p>- Target 2: <i>NC Protocols or Sustainable Business Plans developed by at least 4 corporate entities related to i.e. tourism, fishery, agriculture planning, investments and operations - including towards (M)PAs (towards reducing NC impact vectors, including nutrients, plastics and other pollution, critical habitat loss and degradation, and loss of connectivity for key ecosystem services).</i></p> <p>- Target 3: <i>A total of 142,696 ha under improved landscape management - 91,038 ha with direct benefit through reduced NC impact vectors, including on nutrients, plastics and other pollution, critical habitat loss and degradation, and loss of connectivity for key ecosystem services. and 51,658 ha in six Protected Areas (PA) - with indirect benefit through e.g. enhanced planning and financial resources incorporated in SE Development Plans</i></p>	<p>2.1.1. Two or three marine and coastal (SEEA-EA-based) NC ecosystem s-accounts established and operationalized ? with specific data sets for Quang Ninh Province (see 1.1.1).</p> <p>2.1.2. Corporate commitments and plans secured and options for PA friendly operations /investments identified through quantification of impacts, dependency and interlinkages on marine and coastal NC in</p>	GET	500,000.	9,000,000.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
3. Outreach and knowledge management for national uptake	Technical Assistance	<p>3.1. Better understanding on the importance of natural capital and NCA towards a sustainable blue economy in Viet Nam</p> <p>Target4: <i>Increased awareness as measured with e.g. Capacity Development Scorecard for GEF Projects ? including gender</i>[1]</p> <p>Target 5: <i>At least three additional provincial governments (DPIs) collaborating with MONRE/GSO towards additional NCAs and their application to blue economic growth path/PA landscape management and monitoring.</i></p> <p>3.2. Project impact monitoring and knowledge management system enables national replication</p> <p>Target 6: <i>Best practice analyzed and annually communicated, including on gender, institutional collaboration and replication of NCA</i></p> <p>Target 7: <i>same Target 5</i></p> <p>[1] Capacity Development Scorecard will be based on https://www.thegef.org/gef/sites/thegef.org/files/publication/Monitoring%20Guidelines%20Report-final.pdf</p>	<p>3.1.1. Set of awareness raising and outreach activities and establishment of ?community of practices? which connects local and national institutions and stakeholders to increase understanding and enable increased impact from applying NC accounting</p> <p>3.1.2. Targeted replication and engagement mechanism ? facilitated by MONRE and GSO, establishing additional NCAs in</p>	GE T	239,936.00	2,000,000.00

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
			Sub Total (\$)		1,239,936.00	12,445,455.00
Project Management Cost (PMC)						
		GET		123,993.00		1,244,545.00
		Sub Total(\$)		123,993.00		1,244,545.00
		Total Project Cost(\$)		1,363,929.00		13,690,000.00

Please provide justification

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	UN Environment Programme	In-kind	Recurrent expenditures	100,000.00
Recipient Country Government	Ministry of Natural Resources and Environment (MONRE) ? ISPONRE (blue economy; provincial scenario analysis socio-economic development planning) & VASI (a.o marine spatial planning)	Grant	Investment mobilized	4,030,000.00
Recipient Country Government	Ministry of Natural Resources and Environment (MONRE) ? ISPONRE (blue economy; provincial scenario analysis socio-economic development planning) & VASI (a.o marine spatial planning)	In-kind	Recurrent expenditures	1,150,000.00
Recipient Country Government	Quang Ninh Province (a.o socio-economic development planning program)	Grant	Investment mobilized	2,120,000.00
Recipient Country Government	Quang Ninh Province (a.o socio-economic development planning program)	In-kind	Recurrent expenditures	1,370,000.00
Donor Agency	Asian Development Bank (a.o Promoting Action on Plastic Pollution)	In-kind	Recurrent expenditures	1,000,000.00
Donor Agency	WB ? ProBlue & other project finance Viet Nam	In-kind	Recurrent expenditures	2,520,000.00
Donor Agency	WWF	In-kind	Recurrent expenditures	1,400,000.00
Total Project Cost(\$)				13,690,000.00

Describe how any "Investment Mobilized" was identified

The grant investment co-financing offered to the project by the national and local provincial governments will come from counterpart and provincial funds supported from State Budget for the direct cash costs on project meetings, workshops and salary allowances for officials involved in the project related to spatial planning, training, socio-economic development planning, protected area support budgets, etc. The mechanism would be that these institutions would pay for cash costs for services to be provided to the project as agreed, instead of channeling cash funds to the project bank account.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	Viet Nam	Biodiversity	BD STAR Allocation	1,363,929	129,573	1,493,502.00
Total GEF Resources(\$)					1,363,929.00	129,573.00	1,493,502.00

E. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

50,000

PPG Agency Fee (\$)

4,750

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	Viet Nam	Biodiversity	BD STAR Allocation	50,000	4,750	54,750.00
Total Project Costs(\$)					50,000.00	4,750.00	54,750.00

Core Indicators

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
90128.00	0.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
90,128.00			

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
910.00			

Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
--------------------------	--------------------------------------	--------------------------	-------------------------

Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	0	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE
------------	------------------------	------------	-----------

Indicator 5.3 Amount of Marine Litter Avoided

Metric Tons (expected at PIF)	Metric Tons (expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
-------------------------------	---	-------------------------------	------------------------------

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	1255227	0	0	0
Expected metric tons of CO ₂ e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
----------------------	----------	----------------------	-------------------	------------------

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	1,255,227			
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting	2023			
Duration of accounting	20			

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	336			
Male	504			
Total	840	0	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Clarification on CI 4: The landscape has 77,871 ha of moist deciduous forest and 12,257 ha of mangrove forest, both protected and rehabilitated through natural means

Clarification on CI 6: ? The project area has a total of 77,871 ha forests plus 12,257 ha mangroves in the province; whilst seagrass and coral area has been left out of the GHG calculations. Also, please note Note: the project will not conduct any restoration works such as planting trees, as such GEF Core Indicator 3 is not targeted ? As reference on deforestation, we I have used the WRI Forest Watch data (2002 ? 2020) for Quang Ninh province- which represents a 18 year deforestation rate of 22%. Our project would reduce a 20 year deforestation rate with 20%; which approximately means we go from the 22% WRI-Forest Watch figure (Baseline) to 17.6% deforestation in the ?Alternative?. ? GHG calculations have been made based on using the FAO EX-ACT Tool. ? Based on this, it is assumed that (a) the project would avoid deforestation of 3,427 ha of tropical moist forest and 540 ha of mangroves, corresponding to a 20% decrease in the observed 20-year deforestation rate according to Forest Watch data. The PPG will examine the opportunities of adding a target under 4.4 (avoided loss of High Conservation Value Forest). ? Additionally, it is assumed (b) that the project would have Carbon sequestration benefit on 1/5 of the total area of tropical moist deciduous forests and mangroves found in the targeted landscape, respectively. The project would enable natural forest restoration with a 20% increase in biomass over 20 years. ? Please see details of GHG calculations in the appended EX-ACT Excel sheets.

Clarification on estimated beneficiaries of CI 11: ? From ISPONRE 10; from other agencies in MONRE (VEA, VASl..) 10; GSO 10; MPI agencies 10; Other Ministries (MOF, MARD, MOCST...) 10; PPC 5; DPI 5; Other agencies in PPC (DARD, DONRE) 10; Community 500; Private sector 50; NGOs 20; Academia 200: Total 840, with 40% female and 60% male participants

The Project would contribute to several of the Aichi biodiversity targets under the Convention on Biological Diversity, notably Target 2, which is focused on integrating biodiversity values into development and poverty reduction strategies and planning processes including national accounting systems; as well as Aichi Targets 1, 4 and 19. The project will support to integrate the value of marine resources in blue economy policy at national level and development planning at provincial level (i.e. provincial master plan) in Quang Ninh. The NCA results will be used to inform protected areas (spatial) planning, supporting improvement of landscape management at Quang Ninh Province, including reduction in environmental pollution.

Part II. Project Justification

1a. Project Description

1.1 The Global Environmental and/or Adaptation Problems, Root Causes and Barriers that Need to be Addressed

Rich biodiversity as a basis for natural capital assets in Viet Nam

The unique variety and value of Viet Nam's biodiversity both at species as well as ecosystems level, is an important basis of its diverse natural capital, which is directly and indirectly related to its potential towards sustainable blue economic development in the marine and coastal zones of the country. Viet Nam is part of the global Indo-Burma biodiversity hotspot, which is considered to be very rich in biodiversity, and playing an important role for nature and human life not only at the national level but also regionally. Viet Nam is one of the world's most biologically diverse countries. It is ranked 16th globally in terms of species diversity with having about ten percent of the world's species whilst covering less than one percent of its land area; having 63 Important Bird Areas; and a total of six out of 238 global priority ecoregions for conservation. It is rich in terrestrial and aquatic ecosystems and has up to 95 ecosystem types including seven terrestrial, 39 wetland and 20 marine ecosystems.

Viet Nam's 3,260 km long coastline hosts a variety of coastal ecosystems. The rich diversity is reflected in the high number of species of mangrove trees, finfish and penaeid shrimps, among others, that are associated with mangrove swamps. Coral reef ecosystems offer a variety of fauna and flora, with about 255 species and 69 genera in the Southern coastal areas and 95 species and 35 genera in the Northern coastal areas. These collectively include 157 fish species, 208 mollusks, 76 crustaceans, 70 seaweeds, 78 polychaeta and numerous species of plankton. Viet Nam's biodiversity is recognized internationally, as indicated with having nine Biosphere Reserves, two World Heritage Sites, eight Ramsar Sites, and 6 ASEAN Heritage Parks. Viet Nam's natural capital, in addition to the above biodiversity, also includes e.g. its water, forests, agriculture land, oil, gas and minerals, marine resources.

Importance of natural capital for coastal economic development in Viet Nam

Along with human and financial capital, natural capital resources have been identified as the main factors contributing to the country's economic growth, accounting for more than 50% of GDP and for almost a third of total wealth[1] (30%). Almost half of the country's labor force is currently employed in the agriculture, forestry and fishing sector which contributes to 17.7% of national GDP. Gender inequalities in agriculture, food and nutrition security are visible in labor and in the access to resources (land, finance, technology, training and markets) as well as in agricultural extension services; yet

women constitute a critical workforce in agricultural production, especially in rural areas, where 63.4 percent of working women are in agriculture compared to 57.5 percent of working men[2]².

Natural capital also supports many fast-growing manufacturing and service sectors and a large percentage of the value of Viet Nam's exports is based on natural capital resources, notably from rice, seafood, crude oil, timber, coffee and rubber[3]³. One key sector of Viet Nam, the tourism industry, is based largely on its scenic beauty derived from natural capital and contributes 3.8 % to GDP. From the standpoint of aquaculture sector, Viet Nam is one of the world's leading producers and exporters of shrimp and now ranks third in the terms of shrimp production[4]⁴. The agriculture sector (including fisheries) which is fully reliant on natural capital such as land, soil and water, remains a source of significant revenue and an important domestic source of food.[5]⁵ Viet Nam has a long history of coastal urban settlement, economic development and related sectors such as fisheries and tourism, as well as coastal infrastructure for transport, harbors as well as coastal protection, which for a sizable part depend on and/or impact the coastal NC resources.

As a result, coastal and marine biodiversity and other natural capital resources are key to achieving sustainable development as well as a basis for human welfare in Viet Nam. For instance, coastal forests in Viet Nam are an important natural capital resource and distributed across its 28 coastal provinces with a total area of about 238,954 ha, accounting for 1.6% of the country's total forest area. Of those coastal forests, 124,381 ha is classified as Protection Forest, 38,504 ha is classified as special-use forest and 76,069 is classified as production forest[6]⁶. In the context of climate change, coastal forests can contribute to buffering against storm surges and windstorms as well as helping to reduce coastal erosion due to sea-level rise. While several policies emphasize the need to manage coastal forests in a sustainable manner, in practice there are increasing threats and pressures on these forests.

Therefore, the recent trends in coastal development may not always have been fully sustainable. In line with its past and looking to the future, currently, the blue economy[7]⁷ has become a significant direction in its economic growth path. The intensity of use of land, water, and energy resources to produce economic output in Viet Nam tended to decrease during the period 1990-2007; in other words, the country tended to use fewer resources per million of GDP. However, the absolute level of resource use has continued to increase.[8]⁸ Also, the rapid economic growth has additionally led to an accelerated as well as increased level of environmental degradation as well as pollution. Taken together, population growth, urbanization, and industrialization have had significant impacts on natural capital in the coastal and marine zone. For instance, by sector the most serious water pollution emanates from the production of textiles and food sectors. This development in Viet Nam is also threatening its biodiversity.

Natural capital resources and economic baseline in Quang Ninh Province - project geographic focus

Quang Ninh Province - the area chosen for the project for field interventions, shares a border with China in the North, and is surrounded by Lang Son, Bac Giang in the Northwest, Gulf of Tonkin, Hai Phong City and Hai Duong Province in the East and the South. Quang Ninh includes 617,800 hectares of terrestrial land resources and over 612,000 hectares marine resources. Quang Ninh is a key economic region including Mong Cai Plaza which is a trading point between Viet Nam and China and remains one of the country's top tourist attractions with the Natural World Heritage Site - Ha Long Bay. The provincial GDP at current price in 2018 reached VND152,250 billion (USD 6.7 Billion USD). Quang Ninh has shown strong economic development at 10% average economic growth rate (GDP) during 2015-2018, which is 3% higher than the national average growth rate. In 2018, the agricultural, forestry and fishery sectors increased by 4% from the previous year; whilst manufacturing and construction sectors increased by nearly 11% compared to the previous year. The population in 2018 was 1,280,6 thousand persons, increased by 1,8% compared to 2017, in which the urban population was 822,1 thousand persons, occupied 64,2%; the rural population was 458,5 thousand persons, accounted for 35,8%; the male population was 646,6 thousand persons, occupied 50,5%; the female population was 634 thousand persons, occupied 49,5%.

Notwithstanding this high rate of economic development, Quang Ninh Province is also rich in biodiversity. There were 4,350 species recorded, including 2,236 genera and 721 families of fauna, fungi and plants. A total of 98 endangered plant species have been identified, of which, 57 species included in the Viet Nam Red Book (2007) - with 22 stated as Endangered (EN) and 33 as Vulnerable (VU), plus 2 species Critically Endangered (CR) - the Northern Antlers (*Rauwolfia serpentina* (L.)), and *Cinnamomum parthenoxylon* (Jack.). However, none of these plant species is listed as CR in the IUCN Red Data Book. Of the total of 69 mammal species in the province, 16 species are listed in the IUCN Red Data List (2010); 22 species are listed in Viet Nam Red Data Book (2007); and 22 species are included in the Viet Nam Government Decree 32/2006 ND-CP on "Plant and Animal Management" (2006). Additionally, of the 39 amphibian and 95 reptile species found in the province, 12 are included in Decree 32/2006, including the Near Threatened (IUCN Red Data Book) Python (*Python molurus*) and the VU King Cobra (*Ophiophagus hannah*). Birds: 174 bird species in 55 families were identified, including species listed in the IUCN Red Data Book, the Vulnerable Collared Crow (*Corvus torquatus*). Quang Ninh's coastal area is diversified in terms of topography, influenced by tropical monsoon climate, thus having diverse ecosystems such as: coral reefs (Ha Long Bay, Bai Tu Long Bay, Co To and Tran islands); mangroves (coastal area from Mong Cai - Quang Yen); seagrass (in Hai Ha (Quang Phong, Thoi Xanh Island), Tien Yen (Hai Lang) and Quang Yen (Lien Vi, Tan An, Hoang Tan)); intertidal estuaries (including Ka Long, Tien Yen, Bach Dang-Nam Trieu); coastal islands and the Gulf-bay ecosystem (Cua Luc Gulf); lagoons (Mong Cai, Tien Yen, Quang Yen); as well as limestone mountains (Ha Long Bay, Bai Tu Long Bay). To protect this diversity in ecosystems and biodiversity, Quang Ninh established one National Park, one nature reserve, one landscape protection area, and one World Natural Heritage site. Biodiversity, both at species as well as ecosystems level, plays a significant role in the socio-economic development of local communities, key national economic sectors and environmental protection in the province, especially related to agriculture, aquaculture, tourism and water services sector. However, NC are exploited legally or illegally, sustainable or unsustainable, by many individuals and groups both from inside or outside the Province.

A key challenge for **Quang Ninh Province** is to manage its rapid economic development in a sustainable manner and to prevent adverse impacts to natural capital and its services ? e.g. as provided by mangroves, reduce pollution of water resources (see below) or reduce the impact by climate change to agriculture through resilient NC resources (also see below). Establishment of brackish water shrimp farms, industrial development, as well as the reclamation and filling of tidal flats for the expansion and construction of residential quarters have strongly impacted the condition of coastal ecosystems in the province ? particularly its mangrove forests and seagrass meadows. According to the statistical records from the provincial Forest Protection Department (FPD), Quang Ninh had 40,000 hectares mangrove forests in 1983, 24,000 ha in 1997 and 21,737 ha in 2006, and 19,372 ha in 2017. The Province experienced a significant loss of mangroves between 1999 and in 2008 notably in Ha Long (927.5 ha) and Mong Cai (1,144.4 ha). The average annual reduction of mangroves was 3.13 ? 4.98% (127.2 ? 132.5 ha), which is much higher than that of the whole of Viet Nam stated at 0.1% for the period 2000 ? 2005). More recent inventories using Focal Group Discussions led by CIFOR indicated that most considered the area of mangroves in the province to have yet availability of fish and invertebrates to have decreased since 2014. This is line with national findings where over the past 20 years, with support of international donors, the Government of Viet Nam has invested significant resources to restore and develop mangroves. This has led mangrove area to increase, on a national scale, from 155,290 ha to 164,701 ha between 2000 and 2017 (unspecific source by MARD 2018). Yet, in contradiction with this, thousands of hectares of mangrove forests in Yen My, Dong Rui and Cai Dam in Quang Ninh Province are still scheduled for aquaculture development.

Indicating the challenges faced by the Province towards sustainable development, Decision No. 2754/QĐ-UBND has been issued on October 25th, 2012 approving the ?Quang Ninh Province Action Plan on Biodiversity until 2020?, however, the Decision has not been implemented due to the lack of resources, but also low level of experience and practical experience in incorporating NC value in provincial planning, monitoring and reporting.

Root Causes of threats to coastal and marine natural capital resources including

biodiversity

When Viet Nam transformed from a poor to a lower middle-income country, more than 40 million people were lifted out poverty over the past two decades. Whilst Viet Nam?s average population density in the coastal zone of 448 persons/km² is 1.6 times higher than the nationwide population density, coastal areas are also characterized by limited land resources combined with fast economic growth, and these two factors has had direct impact on the conversion as well as degradation of natural capital resources in Viet Nam.

Agriculture has driven growth and remains an important economic sector, accounting for 43% of total employment and contributing almost 20% of GDP. A very significant part of agriculture production in Viet Nam ? including inland fisheries and coastal aquaculture is situated on its extensive coastal lowlands, which is a mosaic landscape of former river floodplains and estuaries, with those converted to especially irrigated rice (e.g. lower Mekong) and brackish water shrimp farms. Viet Nam is now the world?s second largest exporter of rice. This rapid transformation has contributed to environmental

degradation ? including loss of key natural capital resources including its biodiversity, increased pollution, growing greenhouse gas (GHG) emissions and reduced soil fertility. Population- and economic growth in Viet Nam ? including in the coastal zone, is expected to continue, thus increasing the demand for food, energy, and water, and could further hasten the depletion of natural capital. This loss of natural capital has implications for Viet Nam?s continued sustainable development and resilience to climate change.

While aiming to create new economic opportunities, this level of economic growth also carries environmental and social costs that have yet to be fully understood, and its potential impact on natural capital in the country has yet to be accounted for.

In more detail, some of related **threats** to biodiversity and natural capital resources and (ecosystem) services in the coastal zone in Viet Nam, as well as specifically for Quang Ninh Province, include:

a. Marine and coastal pollution: In some locations in Viet Nam?s coastal and nearshore zone, environmental pollution is severe. Wastes from domestic, agricultural, mining and industrial sources, along with sediment runoff are the major sources of pollutants in both freshwater and coastal ecosystems. For instance, the mining industry in Quang Ninh Province causes serious problems to the coastal environment through an estimated 25-30 million m³/year in untreated effluent flowing directly into rivers and the other public water bodies, and eventually reaching Ha Long Bay. Coal mining in Quang Ninh Province accounts for over 90% of total production in Viet Nam[9]⁹. Effluents from coal mines has a high acidity (pH 3.1 to 6.5) and can negatively affect aquatic ecosystems through excessive sedimentation in e.g. seagrass meadows[10]¹⁰, as well as deterioration of water quality through eutrophication and other chemical pollutants, which can lead to blue algae blooms or red tides, smoldering reef systems[11]¹¹ with algae growth as well as affecting fish populations. Additionally, coastal domestic activities generate many kinds of waste and discharge into the sea through rivers and canals. The amount of waste continuously increases, especially in coastal cities, where much economic development and consequently population is concentrated, including water pollution from marine transport and fisheries sector. In 2016, Viet Nam had more than 1,700 transport vessels, and 130,000 fishing boats, many with outdated technology lacking emission treatment systems leading to toxic emission and related water pollution with toxic gases such as SO₂, CO₂, CO, NO₂, which in addition impacting marine ecosystems and biodiversity, affects peoples? health. Additionally, discharge of marine plastics is increasingly polluting the seas in Viet Nam, damaging its marine ecological system and threatening human food safety. Microplastics pollution rates in aquatic taxa in Viet Nam have been found to be high in comparison with e.g. Bivalvia in Europe[12]¹², or fish in the Mediterranean[13]¹³; or as compared to some wild fish sampled in the estuary of Pearl River, China[14]¹⁴. Local people in Viet Nam consume mussels and other kinds of fish and shellfish, which are often eaten without first

removing the digestive organs before cooking, with the associated health risks caused by microplastics and other chemical pollutants attached to the surface of ingested microplastics.[15]¹⁵

b. Loss and degradation of coastal terrestrial ecosystems due to unsustainable economic development

Almost half of Viet Nam's provinces are located by the sea, and six transboundary rivers pass through Viet Nam to the South China Sea.[16]¹⁶ In these coastal provinces, marine capture fisheries and coastal aquaculture account for a significant share of income, employment and food security[17]¹⁷. As an example, the main drivers of mangrove loss in Viet Nam are closely related to economic development in the coastal zone and high population pressure near mangrove areas. Development impact due to the cumulative effect of various small-scale activities by a large number of domestic households such as for roundwood, fishnet stakes, fodder etc., as well as large-scale government-led development has impacted the mangrove ecosystem. Another driver of loss of forests and other coastal ecosystems such as wetlands is the increasing demand for land from fast growing sectors such as aquaculture, infrastructure and tourism. Fish, shrimp, clam, crab, and algae aquaculture is mainly targeting relatively easier and cheaper available coastal land, with its readily available brackish water resources found in mangroves. Additionally, wood products derived from mangroves yet also coastal Acacia plantations are consumed both by domestic and foreign markets. Because of the higher revenues derived from export of e.g. Acacia roundwood, environmental sustainability has become at stake due to foreign demands becoming a market priority. As a result, key coastal ecosystems like mangroves. Estuaries and other wetlands have disproportionately been lost, further exacerbated by changes in local hydrology due to drainage, the building of ponds, embankments and dikes. The aquaculture industry has been the second most important driver of mangrove deforestation in Viet Nam due to increased potential and export volumes in shrimp since early 1980s. In total over 80% of the original area of mangroves in Viet Nam have been lost over the last 50 years due to conversion to aquaculture. A more recent observation is that 62% of former mangrove habitat in Viet Nam have subsequently been converted to urban land, possibly due to failing aquaculture production. Additionally, aquaculture operations lead to significant water and soil pollution due to use of antibiotics and other chemicals, which indirectly affect marine fauna as well as nearby mangrove ecosystems. The loss of mangrove forests has been and continues to be particularly acute, from the reported 400,000 ha existing in 1943 to only 155,000 ha remaining today.[18]¹⁸ Although the area of mangroves forests accounts for only 1.5% of the total of Viet Nam's forest area, it plays a vital role in coastal protection, coastal fisheries and climate change mitigation[19]¹⁹, as well as support millions of people with market priced goods, including wood, timber and food. In addition, mangroves provide natural habitat to hundreds of fauna and flora species whose benefits are not recorded in market prices due to lack of a standardized and nationally adopted valuation and NC accounting system.

About 1/5 of the country's population depend on fishery resources as livelihood, yet the *fisheries sector* is reportedly unsustainable and needing improved management. Seafood constitutes a large part of domestic consumption in Viet Nam as well as for a growing export market. The total annual catch in marine fisheries has increased almost fivefold in the past 30 years; and (annual) fishery production increased from 14.5% in 1995 to over 46% in 2018. However, the increase in demand together with unsustainable fishing and weak management of resources have led to overexploitation of aquatic products in many regions. Valuable marine species are decreasing drastically, such as lobster (*Panulirus* spp.), abalone (*Haliotes* spp.), and *Chlamys* spp, etc. Destructive fishing techniques such as use of explosives, poison and electricity are frequently used in both inland and coastal waters and considered a severe threat to more than 80% of coral reefs in Viet Nam, leading both loss of benthic and fish diversity, as well as destruction of the coral ecosystem. In Quang Ninh Province, the growing imbalance between fishing capacity and coastal fisheries resources is of great concern to the local government. As with the situation elsewhere in Viet Nam, there are clear signs that coastal fish stocks are being overexploited and fishing of economically less-valuable fish species down the food chain has become prevalent. Additionally, floating cage mariculture of groupers, snappers and labridae in nearshore sheltered waters of the province, raises the additional environmental concern of depleting natural fish stock used as 'cheap' feedstock. Readily available fish of lower economic value is sold to mariculture operations as feedstock (reportedly fishermen receive a higher price for selling their 'trash fish to the cage farms), Juveniles for stocking cages are from wild caught sources, which is an additional burden to the natural ecosystems. These high value fish are exported live to Hong Kong.

Additionally, in Viet Nam, the tourism sector plays an important role for economic development and environmental protection. The total contribution of Tourism to GDP of Viet Nam is US \$ 32 billion in 2019[20]²⁰. Tourism directly accounted for 8 % of Viet Nam's GDP in 2017 (with additional contributions via indirect multiplier effects) and was the country's single largest services export.[21]²¹While nature tourism has emerged as one of the fastest-growing segments of the tourism industry in Viet Nam, these have produced challenges and opportunities. In terms of challenges, infrastructure developments and tourism operations in sensitive habitats could have severe impacts on biodiversity and the very NC resources and services on which tourism depends. While there is limited information from Viet Nam, physical construction in areas of high biodiversity value, riparian areas, mangrove and other coastal habitats can have a direct impact on biodiversity through clearance of natural vegetation leading to loss and fragmentation of habitats, disruption of feeding and breeding of key species, erosion of beach habitat and filling up of coastal lagoons and wetlands, to mention a few. However, it is reported that in Nha Trang Bay, hard coral cover in Hon Mieu islands has decreased from 27% to 3% in 2015 and has almost fully depleted coral fish communities due to impact of local tourism development.

Root causes leading to or exacerbating unsustainable economic development as well as pollution and loss of NC and biodiversity in the coastal zone of Vietnam include:

1. *Weak economic development planning.* Loss of biodiversity and natural capital resources in the coastal zone in Viet Nam is attributed to inadequate development planning. For instance, an already issued policy may be either inappropriate in its technical contents or lacking suitable conditions to achieve successful implementation, including those related to funding, management or monitoring responsibilities for improved protection and the sustainable management of NC.

2. *Lack of incorporating value of NC.* An underlying cause for this is that the value of coastal natural resources is not fully being considered in development planning processes. Viet Nam currently has a system of national accounts and does not have a SEEA. This raises questions on how effectively provinces and the national government will take on board ecosystem values in their planning process, and also raises questions related to the capacity in country to carry out such work. It is important to inform planning activities by generating information on the value of coastal assets and the opportunities for using coastal assets for revenue generation and increasing wealth. It would be ideal to inform the planning processes with the relevant information in a manner that is replicable ? for example using the elements of the SEEA Experimental Ecosystem accounting framework (which a.o. takes a spatial approach to ecosystem assets and develops a system of accounts that present a coherent and comprehensive view of ecosystems, including ecosystem extent accounts, ecosystem condition account, ecosystem services accounts, monetary asset accounts, and thematic accounts, i.e., covering specific topics).

3. *As yet ineffective policy application on reducing impact of climate change, and effect to economic sectors and NC in the coastal zone.* Viet Nam is ranked 8th in its vulnerability to climate change in the Global Climate Risk Index 2017. Its Nationally Determined Contribution (NDC) states that it is ?facing losses and damages, which are beyond its resilience and capacity, even after climate change adaptation measures and mitigation of GHG emissions?. In the last 50 years, the average temperature has increased by approximately 0.5°C, sea level has risen by about 20cm, and extreme climate events have increased in frequency and intensity. National climate change projections for 2100 include: an increase in annual average temperature of 2-3°C; increased seasonality of precipitation; and sea level rise of 78-100cm, the latter aspect of great risk to the sustainability of coastal settlements, production systems as well as natural capital resources such as mangroves, estuaries, coastal wetlands, including those included in marine and other protected areas. The NDC lists the most climate change vulnerable sectors as agriculture, natural ecosystems, biodiversity, water resources, public health and infrastructure, and the most vulnerable areas as the Mekong (coastal) Delta, the Red River (coastal) Delta, and the Central Coast. With rising sea level, areas impacted by flooding will expand as well as lead to greater saltwater intrusion in rivers and groundwater, resulting in very serious social and economic costs and displacement of populations and economic infrastructure and activities. By 2100, almost 5,500 km² of arable lands may be lost, as would some 168 km² of aquaculture area and 320 km² of forest land be submerged. In coastal zones, mangrove, indigo and Melaleuca forests may be severely threatened by sea level rise. Climate change will lead to total loss of mangroves unless accommodations are made in coastal zone master plans and investments for mangrove forests to naturally migrate and/or be

artificially established further inland. Climate change will adversely impact coral reefs and other marine habitats. The accompanying loss of habitat will be the cause reduction in stocks of fish, mollusks and crustaceans dependent upon these habitats[22]²². The intrusion of saltwater into freshwater estuaries and coastal lagoons will cause the replacement of freshwater species by their brackish and saline water counterparts. Impacts on the aquaculture subsector could include damage and loss of ponds in exposed coastal areas due to increased coastal erosion and rising sea level, loss of suitable land area for aquaculture caused by coastal inundation, and rising feedstock costs if climate change adversely affects coastal marine fisheries[23]²³. Additionally, coastal agriculture yields in Viet Nam could decline because of extreme temperatures, the increasingly saline water intrusion into the extensive coastal lowlands used for crop production due to rising sea levels, increased drought, and the effects of wind and soil erosion[24]²⁴. The Red River Delta and Quang Ninh (Province) climate zone is among the most vulnerable to climate change in Viet Nam. The delta of the Red River, of which a small part situated in Quang Ninh Province, is particularly vulnerable due to sea level rise. This is compounded by subsidence from groundwater extraction and loss of sediment supply as rivers become more affected by dams. Saline intrusion will significantly affect agricultural production, especially rice, but also natural capital resources such as wetlands, riverine habitats, coastal forests and others. The Viet Nam Institute of Water Resources Planning estimates that water intrusion with 4% salinity will occur 40 km inland in the Red River Delta and affect 300,000 ha of high-yielding rice paddy fields.

-

Key barriers preventing sustainable use and protection of biodiversity and NC, as well as adoption of sustainable blue economic growth

In recent years, many efforts have been devoted in Viet Nam for the protection of marine and coastal ecosystems and biodiversity conservation, including e.g., the (ongoing) establishment of new coastal and marine protected areas, mangrove restoration, review of coastal fisheries sustainability, as well as adoption of blue economic growth path through new national strategies. Given fast economic growth in Viet Nam, a strong planning basis with up-to-date data and analysis, including on environmental stock and flows is a prerequisite.

However, the effect of conservation of NC and both biodiversity, as adoption a blue economic growth path has been hampered by the above mentioned root causes related to the lack of appropriate mechanisms, policy and institutions that enable capturing and analyzing of NC values through well-functioning NCA and mainstreaming the information provided by NCA in government and corporate decision-making processes.

Based on the general baseline situation analysis above, the project is designed to address the following specific barriers.

1. Low level of understanding and capacity to develop and operationalize new NCAs on coastal and marine NC resources with government

The fast pace of economic growth in Viet Nam ? which is largely targeting the lowlands in the coastal and marine zone, has not only directly led to conversion and loss of natural capital but also its degradation due to pollution as well as the effects on key ecological processes and services. Despite the existence of a national policy framework for integrating NC into government policy and programs as well as the recently promulgated national and sectoral sustainability strategies, including green and blue economic growth, progress on these remains very modest, due to the low of capacity to develop and use new NCAs specifically regarding coastal and marine NC resources. Currently, there is little robust information on the links between the environment and the economy in Viet Nam and the Government seeks to develop NCAs to provide an integrated and consistent measurement of environmental stocks and flows that clearly demonstrate the links between the environment and the economy and thereby contributes to the long-term sustainable development of the country.

Although priority accounts for development in Viet Nam were identified through the National Plan for Advancing Environmental-Economic Accounting in Viet Nam (NP-AEEA, 2015), including those on Ecosystem Extent (Land Cover), Water Assets, Biodiversity, Carbon Stock and Ecosystem Services Supply, especially with respect to carbon sequestration, water provision and regulation, fish provision and erosion control; these have not been taken further towards formal establishment and application ? including by GSO, due to lack of resources, restricted capacity as well as lack of a fully established national NCA system (including formal link to SNA- Barrier 2 below; as well as the need for a spatial data platform - Barrier 4 below) that can support the establishment of those accounts. Furthermore, currently, there is no NCA available on coastal and marine ecosystems based on SEEA and SEEA-EA framework and therefore spatial and economic planning and influencing investment decisions do hardly refer to nor integrate NC values, which makes the national agenda on Ocean/Blue Economic growth challenging, especially at provincial level. Lack of understanding the advantages of NCA among line agencies in Viet Nam dealing with e.g., economic development, agriculture, fisheries, forestry, public water services relating to NCA is another major barrier. Their staff lack basic understanding of what environmental-economic accounting is and why it is important. In addition, technical and practical know-how in development of natural capital accounts in the technical units remains limited. A further challenge to government agencies involved is the limited availability of policy-relevant information on the status of NC, that can inform policy and planning processes through scenario analyses ? based on international recognised and standardised methodology (ref. to the SEEA framework).

2. Institutional barriers

The current lack of a nationally agreed framework including clarity on institutional mandates, as well as methodological constraints for systematic capturing, analysing, and monitoring of the status of NC through NCA is a, institutional barrier to advancing the national policy framework described above, and to ensure that the information generated through NCA feeds into routine government institutional processes such as policymaking, budgeting, and regular monitoring and reporting. The General Statistics Office (GSO) under the Ministry of Planning and Investment (MPI) is responsible for statistical data collection and analysis and is a key institution for undertaking NCA. However, the present mandate, capacity, and operations of GSO are insufficient to enable a leading role with regards

environmental-economic accounting and its associated new information requirements - especially for the coastal and marine zone in Viet Nam. This situation is exacerbated by the fact that environmental/ecosystems NCA (based on e.g., the SEE-EA framework) have not formally been linked to the System of National Accounts (SNA) and as such its exclusion from formal government monitoring and reporting systems. There is also lack of agreement both on the methods, institutional collaboration, mandates, and responsibilities, as well as formats to be adopted for a SEEA-based system of NCA, inclusive of at least GSO, VASI, ISPONRE and other relevant agencies. As a requirement, any SEEA-based NCA needs yet to be linked to the System of National Accounts run by GSO, which currently is not the case.

Therefore, adoption of agreed SEEA-based data standards, spatial data system, as well as an clarified institutional structure regarding NCA mandates and roles are required at national level to ensure that the NCA system is developed and fully operationalized that enable dependence/impacts from key economic sectors on near-shore and coastal natural resources/environment to be fully understood, monitored and incorporated in sector policies, planning and operations to support the transformation towards the sustainable blue economy.

3. Lack of practical experience by provincial governments and corporate sectors in integrating results of NCA in provincial development planning and sector business operations and investment plans

Mainstreaming of biodiversity and natural capital is sophisticated and its practical applications is generally poorly understood - preventing practitioners to try and apply integrating NC values, scenario analysis and monitoring in their work. Provinces in particular struggle with conducting true integrated planning which acts upon principles of sustainable development including blue economic growth in the coastal and marine zones, informed by NCA. There has also not been much progress by government and private sector with integrating the already piloted SEEA-Central Framework accounts (forestry, land, water, waste/pollution, fisheries, and minerals and energy) into ongoing production indicators, and developing macro-economic indicators/aggregates for Green GDP as well as Ecological Footprint reporting. Without these, it has been difficult to ensure that the information generated through NCA is integrated and reflected in planning, monitoring, and reporting e.g., with regards progress in Vietnam on SDGs, as well as better targeting the protection of NC in the coastal and marine zone of Viet Nam.

However, experience among provincial government planners/resource managers and the private sector in Viet Nam to apply the results of NC accounting is limited, first of all due the capacity and institutional barriers described above, and secondly due to lack of guidance and practical examples applied to their field of work (e.g. economic development planning, spatial planning, business sustainability initiatives, SDG monitoring and reporting etc). There is limited capacity among practitioners to utilize NCA, and apply a wide range of decision support tools such as modelling programmes to map the quantity and values of ecosystem services, as well as conduct scenario analysis to assist spatial and economic planning processes such as e.g. towards the improved design and management of coastal and marine protected areas, landscape connectivity and ecosystem services etc.

This underscores the importance of facilitating provincial planners, academic institutions, as well as corporate staff in gaining practical experience - including through KM, in applying NCA results to their field of work. In general, most provincial agencies dealing with e.g., economic development planning and management in sector dependent on or impacting coastal NC such as agriculture, fisheries,

forestry, public water services, and their staff lack basic understanding of what environmental-economic accounting is and how it can benefit their work through applications. In addition, as stated in Barrier, 1 above, the technical and practical know-how in development of natural capital accounts in the technical units remains limited.

So far, the extent to which the private sector entities have incorporated NC considerations into their business models and operations have been driven mainly by their reporting and CSR obligations. Limited focus has been placed so far on incorporating the values of NC in core operations or their business models. Transforming the operations of these corporate stakeholders to minimize potential negative impacts of their operations on NC will require a broader and more comprehensive approach to fully integrate the information provided through the NCA into their business models or sustainable business plans.

With regards Quang Ninh Province, it is due soon to conduct its new socio-economic development plan for the period 2026 ? 2030, which is both an opportunity to pay more attention to the value and critical role of NC to sustainable development and human welfare, as well as a challenge to comply with the Planning Law of 2019 by integrating a blue economic development growth path. However, currently there are no NCAs in the province with specific data sets on extent, condition, ecosystem services, asset, and thematic accounts of marine and coastal resources (Barrier 1), etc. that can enable the incorporation of NC values in the Socio-Economic planning, as well as highlighting sector dependencies and trends of impact on NC in areas included for provincial spatial planning on the establishment and zoning of existing and new coastal and near-shore protected areas in the Province.

4. Weak data infrastructure and knowledge management act as disincentives towards adoption, budgeting and replication of NCA in Viet Nam

Challenges related to data gaps, access and sharing, lack of documentation and data quality assessment frameworks, hamper the application of NCA at provincial level, as well as these needs national agreement, budget resources to assure sustainability and replication of NCA in Viet Nam. The current statistical data/infrastructure system is not compliant with this need, and the data contained - on e.g., resources? extend does not enable true environmental-economic accounting for ecosystems and their services. The accounting framework we have today in Viet Nam focuses only on indicators for socio-economic development a situation which is further exacerbated by lacking a data framework for conducting NCA based on the SEEA or SEEA-EA frameworks. The current data framework follows the guidance on statistical systems provided as part of the SNA. However, there is no guidance on how a spatial data framework - as preferred for NCA, should be established and operated. It thus leads to the lack of information on the status of NC in the government?s regular monitoring and reporting processes in a systematic manner.

Knowledge management in the field of NC as well as NCA is weak in Viet Nam and leads to missed opportunities to share and disseminate knowledge on NCA and associated tools and methodologies among policymakers and practitioners in both public and private sectors, as well as the rare sharing of information with regards good workable applications of NCA suitable in the context of Viet Nam. This is because there is no community of practice to facilitate KM as well as that can connect and facilitate interactions between local and national institutions to raise awareness and understanding on the

benefits of applying NCA in development planning processes, facilitate networking on the technical aspects of NCA among policymakers and practitioners, and through which best practices can also be shared. As a result, NCA-valuation related programs have received only modest support and government resources to ensure long-term sustainability and scaling up in the country, as demonstrated by the many NCA-related initiatives implemented in the past under which the efforts did not continue once the projects ended. As a result, there is lack of a clear national incentive mechanism and dedicated budget allocated within the government that enables GSO and key partners to take the lead in scaling up the NCA in Viet Nam in the long-term.

1.2) The Baseline Scenario or Baseline Projects

Viet Nam has not adopted the terminology of a Blue Economy in any official Government documents. However, the Resolution on Sustainable Development of Marine Economy with a vision to 2045 (36-NQ/TW) was adopted by the Central Party (October 2018) in order to enhance the sustainable socio-economic development and environmental protection in marine and coastal areas and islands. It also sets development targets to key priority 'coastal' sectors such as: sea and island tourism; maritime economy; petrol and other resource exploitation; aquaculture; shipbuilding industry; renewable energy[25]²⁵. The principal objective of this resolution is to turn Viet Nam into a strong, safe, prosperous and sustainable maritime nation by 2045. This resolution is supported by Resolution No. 26/NQ-CP Promulgating Government's Master Plan and the 5-Year Plan for Implementation of Resolution No. 36-NQ/TW (Marine Economic Development Plan), which lays out the following requirements for the implementation of the Sustainable Development Strategy. These two Ocean Economy Resolutions put forward a governance structure aimed at encouraging integration across a range of ministries with ocean related portfolios. The resolutions also articulate have to coordination between central authorities and local provincial governments.

Operational programs outlined in the resolutions, include a.o the development of national marine spatial planning and the establishment of economic development zones or hubs. Blue Economy approaches less explicit within the Vietnamese strategies include: (i) Natural capital accounting (fully absent); and (ii) Blue Finance.

Additionally, the Planning Law (2019) requires all master plans (provincial, regional and national) to conduct integrated planning with consideration for cross-sectors issues and protection of natural resources and ecosystem services, through making adjustments in both the spatial allocation as well as decision-making process, securing institutional and technical capacity to handle multi-sectoral collaboration, and to mediate on conflicting interests. This applies similarly to marine spatial planning or socio-economic development planning concerning the 28 coastal provinces and related areas of Viet Nam. However, the lack of systematic evidence on the value of natural capital and ecosystem services has led to the underestimation of these and limited integration in decision making processes. This is especially the case with natural capital in coastal areas.

The Viet Nam Green Growth Strategy (VGGS) prioritizes sustainable management of forests, mangroves and biodiversity and adaptation to climate change. The VGGS identifies the need to

develop economic and financial policies and incentives for sustainable use of natural capital, as well as mobilizing all economic sectors to invest in ecological services. The strategy sets the objectives of effective and sustainable use of land resources and prioritizes the application of green accounting through valuing natural capital.[26]²⁶. This national scale strategic direction has led to national pilot initiatives on environmental accounting and environmental information.

The Party Resolution to Respond to Climate Change, Environmental Protection and Natural Resources Management (24-NQ/TW, June 2013) recognizes that natural resources are nationally important and finite capital assets, which require thorough assessment, valuation and inclusion in national economic accounting. A series of tasks related to NCA are stated, including the development of databases for land, water and mineral assets and research and implementation of natural resource pricing, valuation, and accounting. The proposal specifies the need to conduct analyses and establish legislation, processes and standards for natural resource accounting. Also, key actions for the country stated in the National Action Plan for the Implementation of Agenda 2030 for Sustainable Development (Decision No. 622/QĐ-TTg, May 2017) include conducting research, developing guidance and piloting biodiversity and ecosystem service valuation. The revised Law on Environmental Protection (LEP) was adopted at the 14th session of the National Assembly Legislature states a.o priority to investment in the maintenance and development of renewable types of natural capital to provide ecosystem services. The State encourages government entities to exploit, use, enhance and re-invest revenues obtained from the exploitation of natural capital for the maintenance and development of natural capital, as well as to incorporate these principles in their socio-economic development strategies, programs and budgets.

Viet Nam has a baseline of NCA and Blue Economy programs and projects closely associated with the objectives of the GEF project, and to which the project will be able to provide incremental support to improve, apply, replicate and better sustain these initiatives at provincial and national level. Yet in the business-as-usual scenario, the outcomes of these baseline initiatives would be less positively contributing to the national policy and programming related to the protection of NC, biodiversity and its ecosystem services as well as establishing and applying NCA, towards adoption of a blue economic growth path, as summarized below.

NC and BD: Viet Nam is progressing on its path of economic growth at higher-than-average global figures, both in e.g. aquaculture, agriculture such as rice, tourism, trade, harbor and marine transport sectors, but also urban development due to population growth and industrial development, including in its coastal provinces. The 28 coastal provinces and cities of Viet Nam are targeted to contribute 65 - 70% of the national GDP by 2030 as outlined in its two Blue (Ocean) Economy Strategies (see below). Against this strategic background as well as natural capital resources being key to many of the above stated sectors and already accounting for more than 50% of GDP, there is a significant risk that in the BAU scenario the trends seen over the last many years will continue and result in further loss and degradation of coastal and near-shore natural capital resources, their service as well as their biodiversity.

In the business-as-usual scenario for Quang Ninh Province, key natural capital and biodiversity ? including those included in the protected areas, will continue to be impacted due to conversion to other land use, impacted by pollution, fire, drainage, excessive harvesting of products, as well as becoming disconnected and losing minimum ecological flows to keep these ecosystems healthy and functional. As an example, whilst the latest figures show that the mangrove area in the province has slightly recovered and reportedly increased in area, it actually lost over 97.5% from its original area of 40,000 ha in 1983, as well as reportedly experienced a drop in available fish and shellfish resources important to coastal fisher households (see above CIFOR assessment). Main factors of loss are reportedly conversion due to urban development as well as to aquaculture (mainly brackish water shrimp farming). Also, without specific provincial programs, investments and monitoring to attain enhanced levels of environmental sustainability, the growing imbalance between fishing capacity and fish- and other targeted stock is expected to lead to further degradation of the coastal and marine environment (mudflats, estuaries, mangroves, seagrass meadows, shallow-water reefs, demersal ecosystems etc.) because fisherman are forced to use even less-sustainable fishing gear and catch volumes. Additionally, the growing mariculture sector in the province has direct impact on natural fish stock and its off-and near-shore habitats due to unsustainable fishing for cheap footstock. Urban and industrial development as well as intensive forms of agriculture, will continue generating solid and dissolved pollutants such as microplastics, chemical fertilizer and pesticides and other forms of environmental pollution, with a direct impact on the functioning and resilience of coastal and near-shore ecosystems where much of the pollutants accumulate both physically through downstream water flows as well as biologically through bio-accumulation by benthic fauna in e.g. mudflats, seagrass meadows, and estuaries.

In the BAU scenario, the above trends are not expected to improve much and various coastal and near-shore NC resources will further decrease in area, ecological health as well as their resilience to the effects of climate change, impacts of unsustainable tourism and chemical pollution load brought in from inland watersheds; except if the government builds effective alliances with provincial governments, financial institutions and corporate sector to invest both human, financial and programmatic resources towards the improved protection and restoration of natural capital resources in the coastal and near-shore zone, as well as improve both the spatial as well as functional alignment of economic development with the ecological functions and services provided by these resources of natural capital.

NCA and its applications: Various donor-funded initiatives have assisted Viet Nam to develop NCA, build capacity and pilot modest applications. These include e.g. the ADB study on ?Investing in Natural Capital for a Sustainable Future in the Greater Mekong Subregion?, the World Bank support in development of Draft Natural Capital Roadmap up to 2020; as well as the United Nations Statistical Division (UNSD) support for development of the ?National Plan for Advancing Environmental-Economic Accounting (NP-AEEA) In Viet Nam?. These initiatives have identified the need for (i) creating enabling policy and broad-based partnerships for furthering the development of NCAs; (ii) Raising awareness on the significant role played by NC, and hence changing the way in which policy makers, organizations, and individuals perceive and account for natural capital; (iii) Developing and deploying an analytical framework and processes to integrate the value of NC in development decisions and (iv) Mobilizing public and private finance for the implementation of programs and activities aimed at conserving and growing NC. However most of these have been focusing on partial aspects of NCA

(i.e. focus solely on forests, or calculation of extend/stock accounts only), were modest in scope or short-lived; as well as not yet adopting the full SEEA-EA framework through a truly national partnership of data providers and users. As a result, in the baseline scenario, whilst data for NCA continues coming from both international and national sources, there is lack of up-to-date and complete national sets of data to enable sensible analysis and conclusions. Also, NCA will not have the needed level of central government support and sustainability, given it has yet to be integrated into the System of National Accounts since there is no standard for harmonizing the two systems. In the baseline situation, the pilot initiatives have hardly been replicated or upscaled beyond the original project area or data sets and have not led to a national standardized and formally adopted NCA framework and data platform. Whilst this is not unique to Viet Nam, in the baseline the biggest weakness is the lack of broad partnership of the many institutions with a mandate related to coastal and marine planning, mapping, investments, or environment monitoring - including at provincial level, the lack of national standardized spatial data framework ? especially in support of provinces to develop and apply NCA. Also the unfamiliarity or lack of experience towards the application of NCA in routine government processes is affecting adoption of NCA. As a result, in the BAU scenario, great inefficiencies exist as well as the results of data analysis related to NC are hardly being applied at provincial level towards improved integrated planning (e.g. through ICZM) for better protection and the restoration of NC resources, including related to enhancing the management effectiveness of coastal marine protected areas.

Recent global and regional programs and activities involving Viet Nam all looked to the System of Environmental-Economic Accounting framework (SEEA) for providing the underlying statistical measurement framework to ensure consistency among economic and environmental statistics; yet did not use the expanded and more recent SEE-EA framework. For instance, in the baseline, the former WB-led WAVES project (Wealth Accounting and the Valuation of Ecosystems Service) in Viet Nam conducted valuation studies associated with aquaculture and capture fisheries production, carbon sequestration, and coastal protection in Quang Ninh Province, and which were largely based on assessing the ?stock? of the natural capital resources (applying SEEA rather than SEEA-EA framework including NC services) yet which remain very useful for the UNEP/GEF project. Additionally, to ensure the breadth of coverage of environmental-economic measurements, the SEEA is being adapted by the FAO to better apply to agriculture, forestry and fisheries (SEEA-AFF), as well as by ESCAP under the Global Ocean Accounts Partnership (GOAP).

The latter NCA baseline project led by GOAP called *Advancing Ocean Accounting* (2021-2022) has as overall objective to build a global community of practice for ocean accounting through technical and methodological advancement as well as national capacity strengthening support in the implementation of ocean accounts. The focus of the GOAP support to ISPONRE (and GSO) is to respond to the need for integrated statistics in the form of ocean accounts to support integrated policies, including but not limited to the national sustainable blue economy policies in Viet Nam. Pilot implementation in Quang Ninh Province (2019-2020) by ISPONRE with support by UN-ESCAP will be used by the UNEP/GEF project to develop the standard methodology, build upon the data set already established, as well as to mobilize experts? input from GOAP, as well as learn experiences from the ongoing program in other participating countries such as Indonesia, Fiji, South Africa, Kenya and Mozambique. The pilot study focused on: (i) estimating and allocating land-based pollution to drainage basins; (ii) ecosystem

mapping and (iii) estimating impacts of tourism on ecosystems. This pilot work developed maps of critical coastal ecosystems as well as estimates of tourism discharge that can be further elaborated in GEF project activities. However, in the BAU, the provincial authorities would lack specific NCA technical capacity and not be able to apply the available data towards development of SEEA-based NCA, and unable to apply the results to their routine government processes such as spatial planning, social-economic development planning, or the advancement of the various PA and MPAs in the province. Based on the *Advancing Ocean Accounting* baseline project, in the BAU scenario, whilst the country should be able to benefit from the SEEA ? and specifically towards better protecting and managing NC and Biodiversity resources through application of the ?expanded? SEEA ?Ecosystem Accounting framework, this will not lead to the necessary national and formal adoption of SEEA-EA-based accounts, these will not be linked to the System of National Accounts run by GSO, as well as unlikely lead to any direct application. Also, in the BAU scenario, tracking of the progress on SDGs is problematic particularly in relation to fast growing ocean industries such as targeted under the two Blue Economy strategies.

The General Office of Statistics (GSO) of the Ministry of Planning and Investment is the mandated agency for collating, interpreting, and reporting national statistics through the baseline program *National Statistical Indicator System (NSIS)* issued in conjunction with the 2015 Law on Statistics. The NSIS assigns and coordinates between ministries and agencies in collecting and reporting statistics including environmental statistics related to e.g. the contribution of marine dependent sectors to GDP (i.e. fishery, mining, tourism); forest stock and trends in forests, area of degradation of natural forests, area of (new) plantation, output of wood and other forestry products; area of protected areas, area and trends in land degradation; stock of water resources and pollution; expenditures on environment protection; environment sustainability index; as well as greenhouse gas (GHG) emission per capita. Ministries and other ?data? agencies are expected to report on the criteria stated in the NSIS with regards collecting and synthesizing data and send to GSO for evaluation, consolidation and annual or bi-annual publication. In the baseline scenario, the GSO-NSIS, will continue having gaps in data and focus with regards coastal and near-shore NC, lack spatial context, and will not be fully SEEA-compliant, which is a prerequisite for the proper development of the Viet Nam NCA framework (with or without GEF support). However, the NSIS - led by GSO, is also the best available baseline program, partnership of data providers and users, as well as a good basis to provide GEF incremental support towards strengthening the data and statistical framework towards a fully-fledged and more sustainable NCA program.

In terms of SDG reporting, ISPONRE is implementing a small national baseline project on *Assessing the implementation of environment and sustainable development indicators by 2030*, including the annual assessment of the implementation of goals and indicators set in the Action Plan for the implementation of the national sustainable development by 2030 in the natural resources and environment sector. The budget for this Project is around \$18,000/year. Whilst this involves assessment of NC data set, including for the coastal and near-shore zone, it does not follow the SEEA-framework with regards specific parameters used nor benefits from a national standardized NCA system.

Without the UNEP/GEF project, several closely related baseline initiatives towards NC/BD protection in Quang Ninh Province, which are ongoing or recently completed, may not fully benefit from the GEF incremental support to make attainment of their objectives more achievable, more sustainable or better representing the provincial objectives towards the protection of NC and biodiversity. This would be achieved through developing and applying NC accounting specifically for the targeted land-/seascapes in Quang Ninh province as well as the buffer zones and corridors of the protected areas in the project area, involving at least 33,660 hectares of terrestrial Protected Areas landscapes, as well as 17,998 ha of MPAs. Much of these PA support programs are based on the recently completed Project on Biodiversity Conservation Planning in Quang Ninh Province, including formal government Decision No. 199/QD-UBND of Quang Ninh Province People's Committee on approving the Biodiversity Conservation Plan in Quang Ninh Province (running until 2020) and its Vision Towards 2030. The Plan aims at conserving critical natural ecosystems, conserving endangered and precious species and genetical resources, as well as the recovery of ecosystems in line with other planning processes such as guided by the existing 10-year Economic Development Master Plan (2021-2030) as well as the soon to be developed 5-year Provincial Socio-economic Development plan 2026-2030.

Blue Economy: Contributing to SDG14 "Life Below Water" is the most relevant goal for the Blue Economy. This is being pursued through the stated objectives under the two Blue Economy resolutions as well as the broader Vietnamese environmental response to deliver on Targets (14.1 Pollution reduction; 14.2 protecting NC and BD; 14.3 responses to CC and sea-level rise; 14.4 sustainable fisheries management, and 14.5 expanding on the MPA to at least 6% and restoring mangroves to the year 2000 area). The Blue Economy resolutions are targeting growth in marine industries with 10% contribution to national GDP, increase aquaculture with 70% and marine fisheries catch with 30%, double tourism revenues, as well as significantly increase investments and almost double volumes in seaport development and trade volumes by 2030[27]²⁷; yet do not specify actions or governance mechanisms to enable attainment of SDG14, including the mainstreaming of NC values in decision making, budgeting and monitoring " which are key to planning for and measuring the SDGs. Also, the Blue Economy resolutions and other relevant instruments do not actively consider the role that aquatic ecosystems and marine foods (32% of the VN coastal/ocean economy) play in food security as stated in SDG 2 "Zero Hunger". Additionally, Integrated Coastal Zone Management (ICZM)"which has been widely used in Viet Nam as a planning tool and basis towards operational programs in 24 of its 28 coastal provinces, involves many elements of coordination across a range of sectors that might underpin effective blue economy planning and development, but is not referred to at all within the two Blue Economy resolutions. Additionally both would benefit well from standardized NC inventories, valuation and planning. Past projects in the Mekong Region " including in Viet Nam, provide for an historic yet essential baseline towards a better alignment and methodological approach of the GEF project related to green growth/blue economy, e.g. Unleashing Green Growth in the Mekong Delta (started 2013 and completed now) supported by the Global Green Growth Institute focusing on the role of water for socio-economic development and green growth; Green Economy in the Greater Mekong

(Wild Wildlife Fund - WWF), looking at ecosystems values in the Mekong Region) and future change of ecosystem services under different scenarios.

The GEF project will build upon ongoing baseline initiatives related to blue growth, including the ongoing (2016-2022) USD 310 million WB project *Mekong Delta Integrated Climate Resilience and Sustainable Livelihoods Project* (with a GEF MSP grant support) which targets better climate-smart planning and improved climate resilience of land and water management practices. Activities under the first component of interest to the GEF project include: (i) monitoring systems to enhance Mekong delta knowledge base; and (ii) infrastructure and information systems for enhanced decisions. The Project which is jointly implemented with Ministry of Agriculture and Rural Development, Ministry of Planning and Investment and the Ministry of Natural Resources and Environment will benefit both male and female farmers (especially on rice production) in the upper delta provinces and aquaculture farm and fisher-folk households along the coastal provinces in the Mekong region, the latter of specific baseline interest to the proposed GEF project.

Another key baseline program concerns the *WB ProBlue Trust Fund* launched in 2018 and its related investment programs in Viet Nam. ProBlue current contributions in the region amount to over \$151 million (ProBlue 2021 annual report). ProBlue is assisting Viet Nam with prioritizing and mobilizing new investments for a blue economy - defined as the sustainable and integrated development of oceanic sectors in healthy oceans. Part of ProBlue, the WB has been supporting the Viet Nam Administration of Seas and Islands under the Ministry of Natural Resources and Environment, with various past and ongoing initiatives, including:

- ? Support Plastic Policies and Investments to Reduce Ocean Plastics in Viet Nam (\$700,000), as part of the National Action Plan on Marine Plastic Debris Management;
- ? WACA Sustainable Ports Partnership (\$450,000);
- ? Additional Financing: Support Plastic Policies and Investment to Reduce Marine Plastics in Viet Nam (\$50,000);
- ? Additional Financing Fisheries Status Assessment Toolkit (\$20,000);
- ? Informing the development of Viet Nam's blue economy strategy (\$200,000) which reportedly will receive follow up funding support by the WB.
- ? Supporting Development of Sustainable Fisheries in Viet Nam: Informing the policy framework and investments (\$1.1 million).

With the support by ProBlue program, VASI is developing the proposal for national blue economy partnership. The partnership is to strengthen national to local coordination and collaboration among partners involved in blue economy development in Viet Nam and also to contribute to enhanced information sharing and communication between the Government agencies and development partners, business communities, industries, academics, sectors, coastal provinces and NGOs. Establishment of partnership would be an opportunity for the GEF supported project in the later phase.

Whilst the WB and VASI are in advanced discussion towards ProBlue support to marine spatial planning in Viet Nam (MSP), VASI is now conducting the USD 9 million baseline program on *National Marine Spatial Planning (MSP) and development of Master Plan on Sustainable exploitation and Use of Coastal Resources in the Period of 2021-2030, with Vision to 2045*. The key tasks are (i) to

assess and analyze coastal and marine natural assets, their condition, the context of drivers and impacts, and the current state of utilization of the marine space in Viet Nam's coastal areas, islands, archipelagos, seas and skies; (ii) to forecast trends of natural resources and environment fluctuations; climate change impacts; potential for utilization of marine natural resources and the requirement for integrating the environmental protection in the planning of government, and (iii) to conduct spatial zoning of the area included under Vietnamese sovereignty right and jurisdiction. According to schedule the final draft Master Plan will be submitted to the Government for review and approval in 2022; and it is expected that the WB ProBlue MSP support would take this further with capacity building and implementation modalities. The WB ProBlue management team has expressed interest to collaborate with the GEF project towards applying NCA to their planned MSP work ? e.g. in Quang Ninh, given previous work by the WB in the Province.

Under the assignment of MONRE, ISPONRE is currently developing the *Scheme on Building a blue economy model towards sustainable marine economy development (2020-2022)*; its value approximately \$130,000) to implement the Strategy on Sustainable Development of Viet Nam's Marine Economy until 2030. The key outcome of the Scheme is to develop a draft "Decision of the Prime Minister on approval of the Scheme on Building a blue economy model towards sustainable marine economy development?".

In contribution to the aspect of pollution control and protection of the coastal and marine environment under a blue or SD development strategy, Viet Nam is implementing the *Mitigating Marine Plastic Debris in Viet Nam* Project with a budget of Euro 9.8 million for the period 2019 ? 2023, supported by WWF-Germany (Federal Ministry of the Environment, Nature Conservation and Nuclear Safety, Germany). The project is implemented in seven cities (A Luoi, Da Nang, Dong Hoi, Ha Tinh, Long An, Rach Gia, Tuy Hoa) and 3 marine protected areas in Viet Nam (Con Dao, Cu Lao Cham and Phu Quoc). The project developments policy advocacy, communication programs as well as capacity building in terms of minimizing the source as well as impact of plastic waste on marine ecosystems; conserving marine biodiversity, particularly in marine protected areas that are seriously impacted by marine plastic pollution; improving community and society's understanding on the causal relationship between plastic waste disposal and adverse effects on the marine environment and human health; and enhancing authorities' plastics management capacity. The program could benefit from better valuation of both the costs of marine pollution to NC, as well as the cost/benefit of alternative development scenarios ? e.g. as part of the evolving 5 years socio-economic development plan in Quang Ninh Province.

Another related baseline program to the GEF project is the regional technical assistance project *Promoting Action on Plastic Pollution from Source to Sea in Asia and the Pacific* (2019 ? 2023) supported by Asian Development Bank and the Global Environment Facility with total budget of \$1,963,650. The project is being implemented in 6 countries (Indonesia, Myanmar, Philippines, People's Republic of China, Thailand and Viet Nam) and help deliver their commitments to reduce marine plastic pollution from source to sea. It is in the process of preparing (i) national action plans; (ii) guide policy and regulations to encourage a circular economy; and (iii) facilitate investments in integrated solid waste management and the adoption of circular economy (from additional outside sources).

A key baseline project in the field of sustainable or blue economy planning in Quang Ninh Province is the completed \$ 3 million, *Socio-economic Development (Master) Planning for the period 2021-2030 with a Vision to 2050; which is soon to be followed by the more detailed and more sector specific Provincial Socio-economic Development Planning for the period 2026-2030*. This is implemented by the provincial office of Ministry of Planning and Investment ? MPI (of which GSO is part). The purpose is to align the planning of Quang Ninh Provincial development with various national strategies and principles of SD, including e.g. the National Socio-economic Development Strategy for 2021-2030; the Sustainable Development Strategy of Viet Nam's Marine Economy to 2030 - with a Vision to 2045; National Strategy for Green Growth and Sustainable Development; as well as various applicable sector master plans, including biodiversity conservation (Quang Ninh Province Action Plan on Biodiversity until 2020). Of interest as baseline to the GEF project are the planning elements related to: (i) Analysis of socio-economic situation of Quang Ninh Province, selection of optimal development scenario? whilst ensuring long-term sustainable development on all 3 pillars, economy - social - environment; (ii) Setting direction of development in key industries; plans on development of networks and spaces for technical and social infrastructure systems, environmental protection, resource efficiency in exploitation, use and protection of natural resources, biodiversity as well as response to climate change; (iii) Development of inter-district development planning schemes; (iv) Development of an portfolio and priority list of investment projects; as well as (vi) Establish an unified planning information system.

Directly related to the previous *Socio-economic Development Planning for the period 2021-2030* ISPONRE has a small project (April 2021 to 2022, budget \$120,000 coming from Quang Ninh Province) called *Solutions for improving the total factor productivity*^{[28]²⁸ (TFP) in Quang Ninh Province, which includes (i) assessing TFP contribution to economic growth and factors affecting TFP in the province and (ii) to propose solutions to improve TFP in the province. The work is scheduled to directly assist Quang Ninh Province with its baseline *Socio-economic Development Planning* for the period 2021-2030 through e.g. proposing solutions to achieve its set development objectives such as mobilizing forces to promote inclusive and sustainable socio-economic development, improving people's quality of life; and transforming of Quang Ninh Province to a modern and sustainable industrialized development center as part of the Northern zone of Viet Nam.}

However, in the expected BAU scenario, the application of Blue Economic growth at national yet especially provincial level in Quang Ninh, will remain challenging for local government institutions due to lack of guided linkages with key national priorities of e.g. food security, as well as the lack of standardized metrics and clearly identified tools to integrate NC in development planning and actions ? such as e.g. applying results of NCA to ICZM, with as expected direct effect on coastal and near-shore NC and BD, the sustained loss and degradation of the these resources due to the ongoing environmental trends as well as targeted growth of related economic sectors and unsustainable practices seen over the last many years. Without nationally adopted and standardized metrics and indices to guide and measure what is ?blue?, particularly in relation to environmental sustainability and social equity, the investment and development of the sectors stated in the two Blue Economy strategies as well as the above baseline program in Quang Ninh Province *Socio-economic Development Planning for the period 2021-2030* could easily compromise environmental sustainability and equity across all sectors. Also, whilst the

recent expansion in the area of MPA in the province is commendable, the Blue Economy strategies, do not say nor measure anything related to the quality of management and effective protection and resilience of NC and biodiversity contained in the PA system; and as such the environmental sustainability aspect are less assured and could easily lead to further degradation of NC and biodiversity due to heavily focusing on coastal and ocean industrial development.

1.3) The Proposed Alternative Scenario, GEF Focal Area[29]²⁹ Strategies, with a Brief Description of Expected Outcomes and Components of The Project

The intervention logic is guided by the 'drivers', 'logical pathways' and 'assumptions' needed to achieve the ultimate objective of the project: 'Natural capital values and protection of coastal and marine ecosystems integrated in development planning and improved landscape management as part of the national blue economic growth policy in Viet Nam'.

The Theory of Change of this project appended to the PIF, builds on the premise that linking and applying natural capital accounting, ecosystem service valuation, and results of other economic analyses towards development planning in Viet Nam is contingent on *three key drivers* enabling change. *First*, enabling institutional and policy conditions must be in place, recognizing the importance of capturing NC values, adopting unified methods and establishing institutional mandates towards the integration of NC values in government planning, sector operations and monitoring of environmental sustainability, must be in place (and for this project focused on NCA for coastal and marine). *Second*, decision makers both at national and provincial level need enhanced capacity and gain practical experience in utilizing information on the status and value of NC resources, as well as integrating these in core government planning/budgeting/M&E/reporting mechanisms, and *Third*, incentives are in place to enable wider adoption, increased budgeting and replication for NCA in Viet Nam.

Based on the Barriers summarized in section 1.1 the project alternative seeks to follow three Logical pathways in order to achieve its desired state (Project Objective) and Post Project Result of '*enhanced environmental sustainability of critical coastal and marine ecosystems in Viet Nam including protection of global significant biodiversity*':

Pathway 1: This pathway proposes that if a national coherent and consistent institutional framework and SEEA-EA-based methodology is formally adopted for NCA, enabled through a consolidated national spatial data framework as well as the enhanced capacity for data provider and users towards

establishment and use of new NCAs for marine and coastal NC resources management applied to one pilot in Quang Ninh Province, a significant higher likelihood for sustainability and national replication would be achieved (related Comp 1 and Comp 2)).

Pathway 2: This pathway advocates through KM, outreach, sector round tables, and analysis of sector dependencies as well as impacts to coastal and near-shore NC, a better understanding of the values as well as need for integration of NC in government and private sector planning, monitoring and sustainability reporting - as part of the national Blue Ocean Resolutions in Vietnam (related to Comp 1 as well as Comp 3)

Pathway 3: This pathway proposes that if the project invests in provincial NCA ? as incremental support to ongoing baseline government mechanisms such as socio-economic planning as well as the national process of marine spatial planning, its applicability as well as benefit to provincial authorities would be greatly enhanced (related to Comp 2).

Pathway 4: This pathway proposes that if national authorities - coordinated by GSO and ISPONRE and the project, engage with provincial line agencies as well as national Ministries, to incorporate NC valuation and accounting considerations in the list of projects/programmes assigned to line Ministries/provinces as part of the applicable national policy and legal context (i.e. Viet Nam's Blue Economy Model to 2030, vision to 2045; National Strategy for Environmental Protection to 2020, vision to 2030) it would establish the formal government process as well as budget resources leading to replication of the development of new NCAs in (other) coastal provinces of Viet Nam

The targeted project Outcomes and Post Project Results, depend on the following Critical Assumptions:

- ? Continued political-will incorporates NCA system and analysis in planning and development
- ? NC value proposition for blue economic growth is recognized at provincial level
- ? Stakeholders at provincial level follow national guidelines towards blue economy
- ? Public, Private and CSO willing to collaborate on improving the planning, design and operations of tourism and fisheries, or other sectors of NC concern.
- ? Corporate business-case and partnership on adoption of NC Protocol and sustainability reporting is strong enough to adapt practices in tourism and fisheries sectors

The proposed alternative scenario per project Component is:

Component 1: Setting up the national institutional system, data and monitoring for application of natural capital accounting for a sustainable blue economy in Viet Nam

The overriding purpose of this Component is setting up the national institutional, methodological as well as spatial data system for application of NCA in Viet Nam - which for reasons of government buy-in (demand driven), feasibility as well as sustainability focusses on coastal and near-shore ecosystems their related NC, and the development of related NCA. However, for purpose of consistency and raising the readiness at national level the project will facilitate national institutional compatibility and consistency with NCA for all ecosystems, which would involve a range of ministries and line agencies beyond those mandated or involved in coastal and marine NC. It is anticipated that this would be agreed and summarized in an updated Roadmap for NCA in Vietnam, taking further and formalizing the already existing draft roadmap drafted under the WB baseline program (see section 1.2). As a next step and based on Government of Vietnam request and in line with applicable national policies as well as its two Blue Economy Resolution, the project will zoom in on ocean accounting and will build upon one of the baseline programs - the Global Ocean Accounts Partnership (GOAP). As a result, institutional capacity building and establishment of NCAs under Comp 1, 2 and 3 will focus on marine and coastal only. As part of Component 1, the project will specifically develop a coherent and consistent methodology for coastal and marine accounting for Viet Nam (called 'ocean accounting' as noted above), based on application guidance developed by the UN and GOAP on the SEEA-EA framework, the developing GOAP technical guidance for ocean accounting[30]³⁰, and the results of ongoing and planned pilots of ocean accounting by ESCAP and GOAP (Output 1.1.1). Through a nationally validated methodology, the project will demonstrate the capacity of ecosystem accounting to provide information needed for tracking changes in ecosystems and linking those changes to economic and other human activity. Incremental support to staff and institutional development (1.1.2) in the field of establishing and applying NC accounts for various purposes, will enable the programs of Institute of Strategy and Policy on Natural Resources and Environment (ISPONRE), Viet Nam Administration of Seas and Islands (VASI), GSO, as well as provincial partner institutions playing a more coordinated and effective role in NC accounting. Under the Project, the Viet Nam General Statistic Office will lead the review of the national accounting system and specifically develop a National Spatial Data Framework for coastal and marine resources with specific provisions for the provincial level pilot application in Quang Ninh Province (1.1.3) which are in line with the national data framework of Viet Nam to facilitate data collection and analysis as part of the coastal/ocean accounts to be established at the provincial level. The design of the spatial data framework will follow the SDG statistic indicators regulated under Circular 03/2019/TT-BKH?T on SDGs indicators of Viet Nam and supported through a small baseline project led by ISPONRE as well as build upon the ongoing baseline program on the National Statistical Indicator System (NSIS) led by GSO. The project will support development of a National Platform on NCA to bring all related stakeholders, including policy makers (i.e. GSO-MPI, Ministry of Natural Resources and Environment (MONRE), MARD, development partners, Non-Government Organizations (NGO), etc. together to ensure mobilization of all resources for NCA (1.1.4). The platform partnership will review and discuss natural capital objectives in national sector policy, as well as will play a key role for advocacy in term of enhancing awareness/knowledge of

policy makers on NCA and promoting integration of NCA into national planning process, promoting blue economy approach to different sectors such as tourism and agriculture for sustainable management of coastal and marine resources (1.1.4).

The Project will support the use of NCA to enable monitoring progress of SDG implementation, especially the SDGs 14&15, by mainstreaming the proposed accounts into routine government indicators and reporting procedures, including on gender. Gender equality needs to be mainstreamed in these NCA as well as the mentioned reporting procedures towards better protection and monitoring coastal areas and developing small-scale sustainable fishing that benefit local communities and help reduce gender gaps. The proposed NCA account will also be aligned (as much as feasible) with targets/indicators identified in the main national/sectors action plan on SDGs, protected areas and marine natural resources (1.1.5). The results of the work of the national NCA Platform, and specifically through Output 1.1.4, will be linked with Government procedures for reporting SDGs implementation at national and local level. The main outcome and outputs of Component 1 are as following:

Outcome 1.1 Increased institutional capacity, clarified mandates and NCA system operational for applying and monitoring a blue economic growth model

Output 1.1.1. Coherent and consistent national methodology, institutional arrangements and national system adopted for NCA in Viet Nam - involving all ecosystems and related line agencies, whilst zooming in on Ocean accounting.

Output 1.1.2. Staff training and institutional capacity building on ocean/coastal natural capital accounting in support blue economic development for national and provincial institutions

Output 1.1.3. Provincial Spatial Data Framework established for compiling marine and coastal accounting in Quang Ninh Province

Output 1.1.4. Development and agreement with ISPONRE, VASI, GSO/MPI, MARD, etc., on national platform on NCA for information exchange and blue economy growth policy advocacy

Output 1.1.5. A system for linking marine and coastal NC accounts with routine government indicators and reporting procedures adopted for Green GDP, SDGs, gender inclusion.

Component 2: Integration of marine and coastal natural capital accounting into local development planning and operations in Quang Ninh Province

Component 2 will involve working with decision makers and practitioners in different sectors active in Quang Ninh Province to develop two or three SEEA-EA-based NC ecosystem accounts (provincial ?satellites?) based on the SEEA-based NCA formats and partnership, spatial data platform as well as increased institutional capacity established under Comp 1. The focus would be on establishing accounts useful for spatial and sector planning purposes, including NCA on environmental assets (ecosystems and condition); flows of goods and services from the ocean to the economy (supply/use of ecosystem services); flows from the economy (pollutants, residuals) into the ocean environment (2.1.1), whilst building on the methodology and related baseline work by the GOAP/ESCAP supported Ocean

Accounting program as well as the data framework and partnership under the National Statistical Indicator System (NSIS) led by GSO.

The results from NCA development and data assessment will be used to inform (socio-economic and spatial) development planning in Quang Ninh Province to ensure the planning will take in consideration the sustainable use as well as protection of natural capital resources in the coastal and near-shore zone of the province (2.1.3). The project will conduct outreach including sector round tables with both NGO, public and private entities), to discuss and adopt the results of a comprehensive assessment on the dependence, interlinkages and impacts of different sectors (i.e. tourism, fishery, agriculture, etc.) on coastal and marine ecosystems and services; followed by agreed corporate commitments and plans/strategies, including through sustainable business investments benefitting (M)PAs, targeting key drivers of coastal and marine NC loss and degradation (2.1.2). As a result, development of Sustainable Business Plans/strategies is targeted for at least four (4) corporate entities related to especially tourism, and fishery sectors; yet also the identification of sustainable business opportunities, investments and improved operations towards reducing vectors of NC impact, including nutrient-, plastics and other pollution, critical habitat loss and degradation, and loss of connectivity for key ecosystem services, including towards increased financial resources for meeting costs of PA management. This work will build on the good work done in Viet Nam under the WB ProBlue Program related to a blue economy growth strategy, (marine plastics) pollution control, the implementation of the baseline program Mitigating Marine Plastic Debris in Viet Nam with a budget of Euro 9.8 million for the period 2019 ? 2023, supported by WWF-Germany, as well as related work funded by ADB.

NCA results as well as the incremental support towards a national data system will be used for better spatial planning, optimized resource allocation and reduction in potential development conflicts as part of the upcoming master plan on socio-economic development in Quang Ninh. The ecosystems condition NC account will be established to track the change of PAs condition over time to inform policy makers for taking actions for improvement management and protection of the NC contained in the PAs, including especially a reduction in impact vectors in the landscape and economic sectors around the PAs.

The developed NCAs will directly support optimizing spatial planning for restoration and protection as well as for improved management and monitoring of coastal and marine NC resources over an area of 91,038 ha (excluding six PAs) - especially related to reducing vectors of NC impact, as well as indirectly over a total area of 51,658 ha of these six protected areas ? 3 terrestrial and 3 marine PAs. The project will provide incremental support to local implementation of the baseline program led by VASI on National Marine Spatial Planning (MSP) and development of Master Plan on Sustainable exploitation and Use of Coastal Resources in the Period of 2021-2030, with Vision to 2045. The provincial NCA would assist tracking PA condition using the Ecosystem Condition NCA to inform decision makers on required actions to be taken, e.g. as part of the socio-economic development planning process. NC accounting would also analyze levels of ?cost-benefit? (both ecological as well as monetary) of terrestrial and coastal resources for aquaculture and environmental protection; sustainable exploitation and restoration, reduction of impacts of natural disasters, as well as adaptation to climate change of e.g. agriculture through mechanization and nature-based solutions.

The basis for this is the NCAs as well as their input to the development of the government provincial master plan on socio-economic Development Plan 2026 ? 2030, including optimizing spatial planning

and NC resource allocation (output 2.1.3). The improved spatial allocation, management and monitoring of coastal and marine resources – similar with the above enhanced corporate sector operations, would target reducing vectors of NC impact such as nutrient-, plastics and other pollution, critical habitat loss and degradation, and loss of connectivity for key ecosystem services. The PPG process would have to determine what would be the most urgent and doable impact vectors to target and win collaboration with what corporate and public partner agencies. This will include building upon the sector round tables as well as the private/corporate sector commitments secured through e.g. new Natural Capital Protocols and/or Sustainable Business Plans/Strategies, to avoid or reduce on the above impact vectors to coastal and marine NC (2.1.2).

The few listed historic initiatives (section 1.2) provide various data sets, tried methodologies, established partnership as well as examples of NCA development and application in Quang Ninh Province; including suggested collaboration with the ProBlue program of the WB towards their anticipated support on spatial planning. Additionally, the results of the GEF supported pilot testing at the provincial level will feed into national and provincial policies, regional learning platforms and the global dialogue (i.e. GOAP) on natural capital accounting and its applications, to promote replication and widespread dissemination. The main outcomes and outputs of Component 2 are as follows:

***Outcome 2.1** Results of marine and coastal natural capital accounting applied toward development and implementation of blue economic growth and land-/seascape conservation planning for Quang Ninh Province*

Output 2.1.1. Two or three marine and coastal (SEEA-EA-based) NC ecosystems-accounts established and operationalized – with specific data sets for Quang Ninh Province (see 1.1.1).

Output 2.1.2. Corporate commitments and plans secured and options for PA friendly operations/investments identified through quantification of impacts, dependency and interlinkages on marine and coastal NC in Quang Ninh Province communicated through outreach and sector roundtables.

Output 2.1.3. Socio-Economic development plan (2026 - 2030) in Quang Ninh Province, optimizing sector co-existence and spatial use of coastal and marine resources as well as identifying sector investments and operations for improved (financial) management effectiveness of protected areas - leading to reducing vectors of NC impact, using integrated NC ecosystems-account.

Component 3: Outreach and knowledge management for national uptake

The project will develop and implement a set of awareness raising and outreach activities focused on the linkage between NC, biodiversity and economic development. Outreach activities will mainly highlight the effectiveness and economic benefits of resources being spent to enhance NC and their ecosystem services; adverse impacts to both sectors and country in general of degradation of NC, and the trade-offs between the different uses, impacts and dependencies of sector on NC and their ecosystem services derived from alternative business plans, sector development plans and other planning related NC (3.1.1).

The project will support the establishment of 'community of practices' (CoP) to enable members to engage in joint activities and discussions on the establishment and use of NCA, share information, help, and learn from each other. The main agenda of the CoP will be seeking national experience and connecting with them, facilitate the development of a shared repertoire of resources, share similar programming experiences, best practices, tools, as well as successful ways of addressing recurring problems. The CoP will also coordinate the development of national strategy on knowledge management; documenting best practices; mapping knowledge and identifying gaps (3.1.1).

Under the project upscaling strategy (3.1.2) facilitated by GSO, MONRE-ISPONRE and the CoP, agreement will be reached on new or expanded provincial collaboration with GSO towards at least three additional provinces to develop new NCAs (co-financed) as well as their application under national government policies and programs on blue economic growth path/PA landscape management, and other sustainable development and environmental protection directives. It would establish the formal government process as well as budget resources leading to replication of the development of new NCAs in (other) coastal provinces of Viet Nam. Additionally, the project will engage with key line agencies such as MoNRE, GSO, VESA and provincial government (e.g. DOIT) to secure extrabudgetary resources under different donor initiatives (i.e. Defra, GOAP) to facilitate replication NCA to other coastal provinces in Viet Nam taking in consideration the anticipated positive project experiences from Quang Ninh.

The Project M&E system will follow project performance indicators and targets to capture the information and best practices required to track the project progress and effectiveness (3.2.1), including applying context-specific gender indicators. The in-depth gender gap analysis will help to identify situations of gender inequitable that will need to be addressed and monitored to ensure overall successful and sustainable outcomes and impact. The main outcomes and outputs of Component 3 are as following:

Outcome 3.1. Better understanding on the importance of natural capital and NCA towards a sustainable blue economy in Viet Nam

Output 3.1.1. Outreach and establishment of 'community of practices' which connects local and national institutions and stakeholders to increase understanding and enable increased impact from applying NC accounting

Output 3.1.2. Targeted replication and engagement mechanism ? facilitated by MONRE and GSO, establishing additional NCAs in Quang Ninh as well as in at least three additional provinces, based on the applicable government legal directives, secured funding and specified sustainable development and environmental protection.

Outcome 3.2. Project impact monitoring and knowledge management system

Output 3.2.1. Project gender disaggregated M&E system enables tracking of project progress, performance and specifically capturing best practice

1.4 Link to GEF Focal Area Strategies: As described above, the alternative scenario will integrate natural capital accounting into development master planning in Quang Ninh Province in Viet Nam and support to link NC accounts with routine government indicators and reporting procedures such as reporting on SDG implementation. The project will help to reduce the impacts from economic sectors (i.e. tourism, fishery) to marine and coastal ecosystems and their services. The project is therefore in line with the goal of the GEF-7 biodiversity regarding: (a) Mainstreaming biodiversity across sectors as well as within production landscapes and seascapes; (b) Reduction in direct drivers of biodiversity loss.

The Project is closely aligned with *GEF7- BD-1-3 Strategic program to ?Mainstream biodiversity across sectors as well as landscapes and seascapes through Natural Capital Assessment and Accounting?* by supporting Viet Nam to build system- and operational capacity to measure, value and account for coastal and marine natural capital resources and integrate NC value in development master planning as well as sector operations in Quang Ninh province in Viet Nam. The Project will provide support to reduce the pollution and impacts of different sectors on the coastal and marine environment through application of a Blue Economy model for selected sectors (i.e. tourism, fisheries and agriculture). The Project will build upon the previous and ongoing WB support to Viet Nam on the development of forest accounts, the ProBlue program, the ESCAP and GOAP support toward development of the ocean accounting framework ? whilst taking guidance from the Global Ocean Accounts Partnership / UNESCAP Technical Guidance and SEEA-EA framework.

1.5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCE, SCCF, and co-financing

-

Project Component	Scenario without GEF Project	Scenario with GEF Increment
-------------------	------------------------------	-----------------------------

1 ? *National:*
National
institutional system,
data and monitoring
for application of
natural capital
accounting (NCA)
for a sustainable
blue economy in
Viet Nam

Whilst legislation in Viet Nam requires consideration for NC resources in planning and development e.g. the Planning Law 2019; Viet Nam Green Growth Strategy; or e.g. the Law on Environmental Protection, lack of systematic evidence on the value of NC and ecosystem services will continue leading to the underestimation of these and limited integration in decision making processes. Additionally, very little of the revenue generated coming from NC through their *provisioning services* ? such as fish, *regulating services* such as avoidance of costs in building coastal protection, or *cultural services* such as recreation/tourism, will be re-invested in the protection, maintenance and restoration of NC; with as a result their continued decline.

Whilst related NCA baseline initiatives in Viet Nam such as the Advancing Ocean Accounting (GOAP/ESCAP), the GSO led NSIS or the ISPONRE-led National SDG reporting will continue the coming years, provinces including specifically Quang Ninh, will continue lacking capacity in NCA, their natural resources-related data systems not being SEEA-compliant, as well as not being able to apply the results of NCA to routine government mechanisms such as socio-economic or spatial development planning. Provincial governments will continue to struggle to integrate NC in development planning? notwithstanding the two Blue (Ocean) Economy strategies targeting a 65-70% contribution to GDP coming from its 28 coastal provinces by 2030. The NSIS will continue in isolation as well as not being based on the internationally and nationally acknowledged SEEA Framework for true NCA, and will continue lacking spatial context, making it hard to apply such data to e.g. spatial planning, as well as do not specifically focus on nor enable NCA for coastal and near-shore including incorporation its results in planning for Blue Economy. National SDG reporting will not be based on the SEEA indicator systems nor benefit from a standardized system of NCA. Whilst, Viet Nam took good steps towards establishing of a national unified framework for NCA, through the draft Natural Capital Roadmap (up to 2020), the National Plan for Advancing Environmental Economic

Through GEF incremental support and collaboration with the Global Ocean Accounts Partnership, UN-ESCAP and related technical guidance, Viet Nam would finally be able to take the draft NCA Roadmap as well as the (UNSD-supported) draft National Program for Viet Nam on Ecosystem Accounting for 2015-2020, towards completion and national endorsement ? especially in collaboration with GSO, including a coherent and consistent methodology, agreed institutional arrangements as well as the national operational system for natural capital accounting (NCA) ? with an initial focus on coastal and marine resources and development sectors. GEF incremental support will also bring together the many data-providers and -users and with GSO establish the National Spatial Data Framework for compiling NCA, especially focusing on marine and coastal accounts. With this improved institutional and data framework, GEF incremental support under Comp 2 will enable the development and application of a number of provincial-level NC accounts and sustained through related baseline government programs ? such as a.o the ProBlue program funded by the WB in line with the enhanced focus in Viet Nam on Blue/Ocean growth, marine spatial planning, provincial socio-economic development planning, as well as improving landscape connectivity and resilience involving various PAs/MPAs in the province. Additionally, GEF incremental support will enable stronger sustainability and prospect of replication of applied NCA beyond the project, by establishing and formalizing a truly multiagency national platform on NCA with a.o ISPONRE, VASI, GSO/MPI, Ministry of Agriculture and Rural Development (MARD), as well as the local government of Quang Ninh Province, including its operational linkages towards blue economy growth policy advocacy, application of NCA as well as joint programming.

2 - *Provincial:*
Integration of marine and coastal natural capital accounting into local development planning and operations in Quang Ninh Province

Quang Ninh Province will continue being challenged to plan, implement and monitor its rapid economic development in a sustainable manner. Its policy and government sponsored program to expand fishing and tourism capacity, as well as the ongoing conversion and reclamation of coastal mangroves and tidal flats for urban and industrial use, will lead to continued degradation of valuable coastal NC in the province and make restoration efforts such as on mangroves less impactful due to - at the same time, losing mangroves elsewhere.

The baseline Socio-economic Development plan for 2026 - 2030, will not capture the value of NC nor the cost/benefit related to NC) of different development scenarios; and its application to (marine) spatial planning under the evolving VASI national spatial planning programme, the VASI-led Master Plan for Sustainable Exploitation of Coastal Resources, as well as the counterpart WB ProBlue marine spatial planning support - especially for Quang Ninh province. Other sustainable Blue Economy related baseline programs such as initiatives related to water pollution control, especially marine plastic litter, would lack a standardized approach or even exclude proper valuation of the cost/benefit of as well as alternative development scenarios related to pollution prevention and management.

Sector development under the recent guidance of Blue/Ocean Growth and - spearheaded by corporate entities, whilst referring to the need to protect natural resources or mitigate impacts of sector operations, will highly likely continue its BAU approach by excluding NC values, the quantification of dependencies and impacts, as well as the likely positive business outcomes from investing in NC.

Without the UNEP/GEF project and its NCA approach, several closely related baseline initiatives towards NC/BD protection in Quang Ninh Province which are ongoing or recently completed, may not attain their objective of the protection of NC and biodiversity. Specifically, the

GEF incremental support will both enable the adoption and utilization of SEEA-based metrics and analytical capacity, as well as the incorporation of NC values in the scheduled government baseline project towards the provincial socio-economic development planning, as well as its translation into improved spatial plans and resource allocation for pollution control and other environmental protection measures, including those under the selected baseline initiatives such as ProBlue - its support to VASI on marine spatial planning, reduction of coastal pollutions, as well as the application of NCA, including in Quang Ninh Province.

GEF incremental support will make attainment of the objectives of government policies and programs especially those directly related to the two national Ocean/Blue Growth strategies, more achievable, more sustainable or better representing the provincial context towards the protection of NC and biodiversity, through developing and applying NC accounting specifically for the targeted land/seascapes in Quang Ninh province over a total targeted landscape area of 91,038 ha (including buffer zones and corridors of PAs), as well as indirectly a total area of 51,658 ha of the six protected areas - 3 terrestrial and 3 marine PAs, through reduction of impact drivers coming from outside development and suboptimal planning.

Additionally, through GEF incremental support, NC analysis and valuation, as well as running a number of sector round tables including with the corporate sector active in the coastal zone of Quang Ninh Province, interest will be created towards the development and application of NC Protocols or Sustainable Business Plans, specifically towards reducing NC impact vectors as well as on how to maintain NC critical to their operations (such a clean water). Whilst not included as a core indicator, the project will enable provincial government and private sector to take these plans further through e.g. green investments, modifying investment plans and reporting on sustainability aspects related to e.g. attainment of SDG in provincial programs and projects.

In the alternative GEF incremental

<p>3 - Outreach and knowledge management for national uptake</p>	<p>In the baseline very few national and likely no provincial programs target communications and partnership building towards the advantage of SEEA-based NC assessments, analysis and reporting ? except as part of the occasional annual International Day of BD, and related global commitments. Adoption of NCA will be ad-hoc, project-based or led by few innovative government staff, as well as ISPONRE, yet not in broad partnership with those national agencies mandated in NC-related sectors such as fisheries, agriculture, forestry, water services or green corporate investments. As a result, well-meant national projects and local activities such as the former WAVES, ProEcoServ, as well as the more recent Global Ocean Accounting Partnership (with a.o ESCAP) remain short-lived, unconsolidated nor replicated elsewhere.</p> <p>Collaboration with GSO and national entities leading on NCA, will remain challenging for provincial government and even more so to reach out to corporate entities, especially to move beyond the more common qualitative NC-assessments, and instead incorporate quantified results in modified plans, spatial allocation or investment decisions.</p>	<p>GEF incremental support will enable particularly ISPONRE, GSO and local provincial government, to beef up their environmental communications with regards national polices related to protecting, managing and reporting on NC through the benefit of using SEEA-EA-based NCA; as well as establishing national partnership with key agencies to agree on standard methodology, a national spatial data framework for NCA, as well as the foreseen applications of NCA in Viet Nam.</p> <p>The project will enable analysis and communicating of best practice, including on gender, institutional collaboration and replication of NCA ? with as targeted result one additional province added on collaborating with GSO in the establishment of new provincial NCA accounts including their application to blue economic growth path/PA landscape planning, management and monitoring.</p> <p>The strengthened national community of practice as well as National Platform on NCA for information exchange and blue economy growth policy advocacy, is expected to significantly enhance the mainstreaming of NCA in routine government procedures, especially as part of the targeted 28 coastal provinces under the two prevailing national strategies for Ocean/Blue economic growth.</p>
--	---	---

1.6) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCE/SCCF)

The project will target a total land-/seascape area of 142,696 hectares, with direct benefits and improved landscape managment to 91,038 hectares consisting of a.o 77,871 ha of terrestrial forest habitat plus 12,257 ha of mangrove, as well as a total of 910 hectares of marine and coastal habitats: 25.5 ha of coral reef and 884.5 ha of seagrass meadows. This will be achieved through improved spatial allocation of NC resources, improved practices of a number of sectors including fisheries and tourism, as well as reduction in vectors impacting NC, including on nutrients, plastics and other pollution, critical habitat loss and degradation, and loss of connectivity for key ecosystem services, including through agreed protection and rehabilitation through natural means and threat reduction.

Additiopnally and part of the total of 142,696 ha, indirectly the project will improve the protection and/or recovery of biodiversity and/or ecosystem services over an area of at least 51,657.81 ha in six

PAs in the sea-/landscapes, through reduction in external drivers of biodiversity and ecosystem services degradation, ecological and physical connectivity with surrounding habitats, as well as habitat pollution, the latter specifically related to pollution control and introduction of sustainable tourism, agriculture and fisheries.

There are 4,350 species recorded in Quang Ninh Province, including 2,236 genera and 721 families of fauna, fungi and plants. Among them, most species are angiosperms (1580 species), Arthropods (722 species), Mollusks (438 species), Guts (Coelenterata, 157 species) and Silica algae (Bacillariophyta, 153 species). A total of 98 endangered plant species have been identified, of which, 57 species included in the Viet Nam Red Book (2007) ? with 22 stated as Endangered (EN) and 33 as Vulnerable (VU), plus 2 species Critically Endangered (CR) ? the Northern Antlers (*Rauwolfia serpentina* (L.)), and *Cinnamomum parthenoxylon* (Jack.); however none of these plant species is listed as CR in the IUCN Red Data List. Of the total of 69 mammal species in the province, 16 species are listed in the IUCN Red Data List (2010); 22 species are listed in Viet Nam Red Data Book (2007); and 22 species are included in the Viet Nam Government Decree 32/2006 ND-CP on ?Plant and Animal Management? (2006). Additionally, of the 39 amphibian species and 95 reptiles species found in the province, 12 species are included in Decree 32/2006 , including the Near Threatened (IUCN Red Data Book) Python (*Python molurus*) and the Vulnerable King Cobra (*Ophiophagus hannah*). Birds: 174 bird species in 55 families were identified, including a species listed in the IUCN Red Data Book, the Vulnerable Collard Crow (*Corvus torquatus*).

The Project would also have a co-benefit of 10,281,349 tCO₂e carbon mitigation over 20 years period (3 years project and 17 years post project) with 6,036,768 tCO₂e through avoided deforestation and a total of 4,294,582 tCO₂e extra carbon sequestration through actions such as habitat protection, natural regeneration.

Additional, the GEF project will lead to reduced pressure on natural resources from competing land uses through adoption of new policies and methodologies to integrate biodiversity and ecosystem services conservation into development planning processes as well as sector operations at provincial level. The development of Natural Capital Accounting will give Viet Nam a basis for assessing the sustainability of economic activities in the coastal zone, enable better socio-economic development planning and its implications to coastal and nearshore natural capital, show what a sustainable development path would look like, and allow decision-makers to design blue economy-based policies, sector plans and monitoring systems.

-

1.7) Innovation, sustainability and potential for scaling up

-

Innovation: The Project will develop a coherent and consistent methodology based on the guidance from UNESCAP and GOAP on ocean accounting and the SEEA-EA framework, as well as provide support to link NC accounts with routine government indicators and reporting procedures such as the implementation of national action plan on SDGs. The current System of National Accounts of Viet Nam has not included the value of natural capital and the project will support mainstreaming NC functions and values into the system by developing a Spatial Data Framework which is in line with on-going policy and systems (i.e. the accounting system of General Statistic Office (GSO)).

The Project will support reducing pressures on coastal ecosystems through conducting a comprehensive assessment of impacts/dependence of economic sectors on NC, and use the results from the assessment to inform policy makers to develop an appropriate Blue Economy Model in Quang Ninh Province to reduce the pollution from land-based sources and contribute to sustainable conservation of coastal ecosystem.

-

Sustainability: The Project will support Viet Nam in implementing its priority on sustainable use of marine and coastal natural resources which have been identified in national action plans and strategies (i.e. National Action Plan for the Implementation of Agenda 2030 for Sustainable Development, Resolution on sustainable development of blue economy, etc.). Therefore, the project will receive high-level commitment by the Government of Viet Nam. The project will empower decision makers to work with national and international experts in order to incorporate NC, biodiversity and ecosystem services into development planning. All tools and methods developed and adapted will be locally validated in order to make sure that the tools can be used by the resource managers as well as the likelihood these would be formally adopted in policies and regulation. The institutional capacity of the stakeholders, including the relevant authorities and local resource managers will be built in order to be able to sustain the best practice piloted by the Project. Moreover, the project design includes setting up clear institutional arrangements towards sustainability on the project outcomes, including mandates and capacity, for applying and monitoring a blue economic growth model. The Project will work with the mandated government agencies and build coordination mechanism to follow up to several national as well as provincial policies and programs to improve environmental sustainability of coastal development in Quang Ninh Province. The Project will also work upstream to enable the incorporation of NC values in the Socio-Economic planning, as well as highlighting sector dependencies and trends of impact on NC in areas included for provincial spatial planning, including the establishment and zoning of existing and new coastal and near-shore protected areas in Quang Ninh Province.

Scaling Up: Viet Nam has 28 coastal provinces/cities, a coastline 3,260 km long and with the total coastal area of over one million square kilometers, which suggests a huge working area for upscaling. The Ocean Blue Economy is the national policy direction set by the Government of Viet Nam for all coastal provinces. Pilot implementation of NCA in Quang Ninh Province therefore would be a good example to replicate to other 28 coastal provinces in Viet Nam.

The project will also facilitate Viet Nam's public officials, academicians and private entities to directly access global expertise on the application of NCAs based on the SEEA-EA framework and to have a formally established community of practice (platform) for exchange of knowledge, partnership and tools. The knowledge management component of the project will engage with stakeholders at national scale which will enable the Project to disseminate the findings and best practices at a broader scale and enable replication through other funding and baseline mechanisms

The project will work closely with key agencies at national level in the policy development process to include the projects/programme of NCA in national policy and legal documents to secure the financial resource from government and other development partners for replication of NCA to other provinces of Viet Nam. GOAP is currently working with Department for Environment, Food & Rural Affairs (Defra) to ensure funding for replicating the application of the Technical Guideline on Ocean Accounting for Sustainable Development to other coastal provinces in Viet Nam.

[1] For the definition of wealth and the methodology: Silva, P. C. D., Tarp, F., Mortensen, J. B., Vu, H. N. X., Nguyen, H. M., & Ho, H. C. (2007). *Accounting for Viet Nam's Wealth: The Role of Natural Resources*. HaNoi, Viet Nam: Central Institute for Economic Management, CIEM

[2] FAO. 2019. *Country Gender Assessment of Agriculture and the Rural Sector in Viet Nam*.

[3] Asian Development Bank. 2015. *Investing in natural capital for a sustainable future in the Greater Mekong Subregion*.

[4] FAO. 2016. *The State of World Fisheries and Aquaculture: Opportunities and Challenges*; Food and Agriculture Organization of the United Nations: Rome, Italy.

[5] Talaue-McManus, L. 2000. *Transboundary Diagnostic Analysis for the South China Sea*. EAS/RCU Technical Report Series No. 14. UNEP, Bangkok, Thailand.

[6] MARD. 2021. Decision No. 1558/QD-BNN-TCLN on announcing the current forest status nationwide in 2020.

[7] According to the World Bank, the blue economy is the "sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystem." European Commission defines it as "All economic activities related to oceans, seas and coasts."

[8] *Natural Resources Management: Viet Nam Development Report, 2011*, The World Bank

[9] ESCAP, 2019: *Viet Nam Ocean Accounting: Case study in Quang Ninh, Final Report*

[10] Viet Nam has 9,620 ha of seagrass, of which Quang Ninh has 830 ha. Key seagrass species are *Enhalus*

acoroides, *Thalassiahemprichii*, *Cymodoceaserrulata*, *Haloduleuninervis*, *Halophila ovalis*, and *Zostera japonica*

[11] Quang Ninh has at least two locations with coral reef ecosystems, including Co To - Thanh Lan and Ha

Long - Cat Ba

[12]Phuong N.N., Poirier L., Pham Q.T., Lagarde F., Zalouk-Vergnoux A., 2018. Factors influencing the microplastic contamination of bivalves from the French Atlantic coast: location, season and/or mode of life?. *Mar. Pollut. Bull.*, 129(2), 664-674.

[13]Tsangaris, C., Digka, N., Valente, T., Aguilar, A., Borrell, A., de Lucia, G.A., Gambaiani, D., Garcia-Garin, O., Kaberi, H., Martin, J., Mauriño, E., Miaud, C., Palazzo, L., del Olmo, A.P., Raga, J.A., Sbrana, A., Silvestri, C., Skylaki, E., Vighi, M., Wongdontree, P., Matiddi, M., 2020. Using Boopsboops (osteichthyes) to assess microplastic ingestion in the Mediterranean Sea. *Marine Pollution Bulletin* 158, 111397.

[14]Lin, L., Ma, L.-S., Li, H.-X., Pan, Y.-F., Liu, S., Zhang, L., Peng, J.-P., Fok, L., Xu, X.-R., He, W.-H., 2020. Low level of microplastic contamination in wild fish from an urban estuary. *Marine Pollution Bulletin* 160, 111650.

[15] Khuu L. Thy Chung, Tran Ng. Sang. 2021. Accumulation of microplastics in some aquatic animals in Viet Nam.

[16] Talaue-McManus, L. 2000. Transboundary Diagnostic Analysis for the South China Sea. EAS/RCU Technical Report Series No. 14. UNEP, Bangkok, Thailand.

[17] General Statistics Office (GSO) Viet Nam Household Living Standard Surveys (VHLSS) 2006-2008.

[18] Biodiversity Conservation for Sustainable Development, 2020, Army Newspaper.

[19] Opportunities and challenges for mangrove management in Viet Nam: Lessons learned from Thai Binh, Quang Ninh and Thanh Hoa provinces, 2019, Center for International Forestry Research.

[20] <https://www.statista.com/statistics/1077310/Viet-Nam-annual-revenue-of-tourism-sector/>

[21] TAKING STOCK: Recent Economic Developments of Viet Nam, Special Focus: Viet Nam's Tourism Developments: Stepping Back from the Tipping Point-Viet Nam's Tourism Trends, Challenges, and Policy Priorities, The World Bank, July 2019. <http://documents1.worldbank.org/curated/pt/821801561652657954/pdf/Taking-Stock-Recent->

Economic-Developments-of-Viet Nam-Special-Focus-Viet Nams-Tourism-Developments-Stepping-Back-from-the-Tipping-Point-Viet Nams-Tourism-Trends-Challenges-and-Policy-Priorities.pdf)

[22] NOTE: Seagrass beds and mangroves are critically important habitat for very large numbers of benthic and coral reef dwelling species. Research in some parts of the world have shown that up to 90% of commercial fish may rely on seagrass beds and mangrove forests at some point in their lives.

[23] IFAD, 2010, Viet Nam Environmental and Climate Change Assessment, IFAD's Country Strategic Opportunities Programme 2012-2017, IFAD Environment and Climate Division.

[24] Asian Development Bank. 2015. Investing in natural capital for a sustainable future in the Greater Mekong Subregion.

[25] Voyer, M, Rambourg, C. & Farmery, A (2021) Governance frameworks to support a Blue Economy in Viet Nam. Report to the Vietnamese Government and the Australian Department of Foreign Affairs and Trade. Australian National Centre for Ocean Resources and Security, Wollongong, Australia

[26] National Green Growth Strategy, Solution 8.d Restoration and development of 'natural capital'.

[27] Voyer, M, Rambourg, C. & Farmery, A (2021) Governance frameworks to support a Blue Economy in Viet Nam. Report to the Vietnamese Government and the Australian Department of Foreign Affairs and Trade. Australian National Centre for Ocean Resources and Security, Wollongong, Australia

[28] TFP or also multi-factor productivity, is usually measured as the ratio of aggregate output (e.g., GDP) to aggregate inputs (e.g. use of NC resources)

[29] For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which **Aichi Target(s)** the project will directly contribute to achieving.

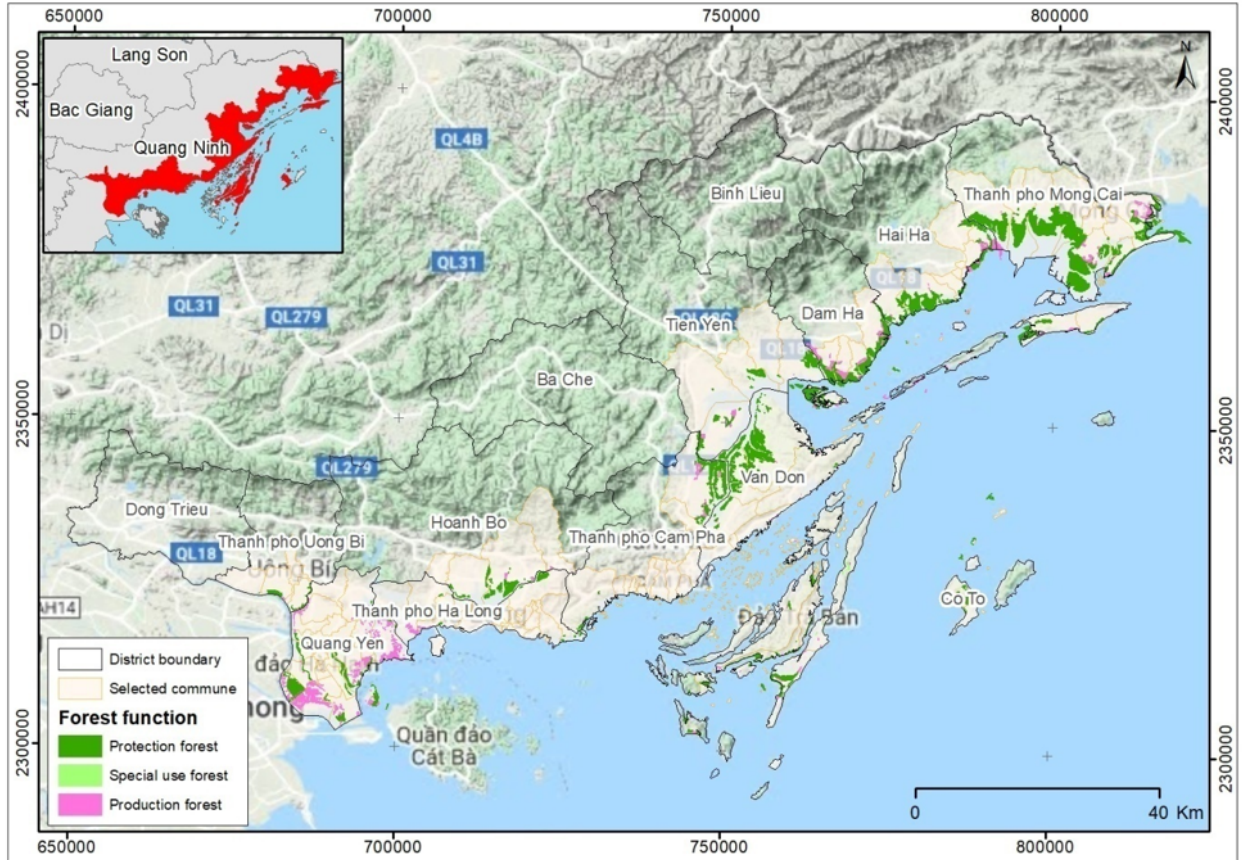
[30] See e.g. Technical Guidance on Ocean Accounting <https://www.oceanaccounts.org/technical-guidance-on-ocean-accounting-2/>

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

PROGRAM/PROJECT MAP AND GEOGRAPHIC COORDINATES

Quang Ninh Province is situated along the Northeastern coast of Viet Nam from N20°40' to N21°40' and from E106°25' to E108°25'.



2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above, please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement

Consultation with key stakeholders has been made during PIF development process to understand the needs and the opportunities for collaboration, especially the provincial authorities. The below Table summarizes the engagement processes with key stakeholders.

STAKEHOLDERS	CONSULTATION	ATTITUDE
VASI	Meetings with VASI to consult collaboration potentials to develop national platform on NCA, marine spatial planning and mainstream NCA in to marine/ocean policies.	Expressed their willingness to collaborate in implementing the Project.
GSO	Meeting with GSO to consult collaboration potentials to develop data framework for NCA; to be in charge of integrate NCA into SNA, as well as play key role on national replication of NCA.	Interested in the topic of marine and coastal natural capital accounting
Quang Ninh's DONRE	Meetings with Quang Ninh's DONRE to consult collaboration potentials to integrate marine and coastal natural capital accounting into provincial and local development planning and operations.	Expressed their willingness to support the Project implementation and use Project results for the provincial policy-making
WB ProBlue Viet Nam	An e-meeting with WB ProBlue Viet Nam to collect information regarding its ongoing baseline activities and partnership on the Project.	Expressed their willingness to contribute to the Project implementation; as well as to specifically collaborate on NC-based spatial planning in Quang Ning province.
United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and Global Ocean Accounts Partnership (GOAP)	A call meeting with GOAP/UNESCAP to consult collaboration potentials to organize the national workshops/trainings on NCA methodology as well as ocean accounting for coastal and marine resources	Expressed their willingness to contribute to the Project implementation

The table below summarizes key stakeholders and their roles in project formulation, and more specifically their anticipated role during the MSP implementation. The list is non-exhaustive and will be further refined during the formulation of the full Project Document.

Organizations	Potential role in the project preparation
---------------	---

Organizations	Potential role in the project preparation
Institute of Natural Resources and Environment (ISPONRE)	ISPONRE (which is under MONRE) undertakes researches and develops strategies and policies in the areas of MONRE's mandate. ISPONRE will act as the official Executing Agency with overall responsibility for implementation of the project, including establishing working agreement with GSO on establishment of NCA, as well as the necessary planning and management mechanisms to oversee project inputs, activities and outputs.
Ministry of Natural Resources and Environment (MONRE)	<p>MONRE, which is the state agency for natural resources management and environmental protection in Viet Nam, has been assigned as the focal point for natural capital matters in the government of Viet Nam.</p> <p>MONRE will be involved in policy and legislative aspects of the Project to ensure consistency with national Biodiversity conservation policies and be a member of the National Project Steering Committee.</p>
Viet Nam Administration of Seas and Islands (VASI)	VASI is the Viet Nam Agency for Seas and Islands. VASI will provide support to develop national platform on NCA, marine spatial planning and mainstream NCA in to marine/ocean policies
General Statistics Office (GSO)	The General Statistics Office of Viet Nam (GSO) serves under the Ministry of Planning and Investment (MPI) realizing the function as an adviser for the MPI Minister in state management for statistics; conducting statistical activities and providing social and economic information to organizations and individuals domestically and internationally in accordance with the law. GSO will collaborate to develop data framework for NCA and to be in charge of integrate NCA into SNA
Ministry of Planning and Investment (MPI)	MPI has a role in coordinating activities on implementing green growth. MPI also shares responsibilities with MOF for budget allocations under the Socio-economic Development Planning (SEDP), and given that sustainable management of natural resources will involve budget allocations, MPI will play a key role in developing the NCA agenda in Viet Nam
Ministry of Finance (MOF)	MOF shares responsibilities with MPI for budget allocations under the SEDP and given that sustainable management of natural resources will involve budget allocations, MOF will play a key role in developing the NCA agenda in Viet Nam.
Provincial People's Committee (PPC)	<p>PPCs are headed by a Chairman and supported by Vice-Chairmen for each major sector including a Vice Chairman for Natural Resources and Environment. PPC plays a major role in provincial development and sector planning and implementation. They are responsible for coordinating the biodiversity conservation activities of various line departments at the provincial (and city) level. PPC currently has management responsibility for most areas classified as special-use forests (SUFs) and MPAs. PPC also has an important role in ensuring that NCA is integrated into sectoral plans and programs at the local level.</p> <p>The Project will be working with Quang Ninh PPC to integrate marine and coastal natural capital accounting into provincial and local development planning and operations.</p>

Organizations	Potential role in the project preparation
Department of Natural Resources & Environment (DONRE)	DONRE is the provincial arm of MONRE and as such the State agency responsible for managing natural resources and environment at the provincial level (including issues related to biodiversity, and currently on land administration). DONRE also undertakes activities on pollution monitoring. DONRE will now have to play an increasing role in supporting the integration of marine and coastal natural capital accounting into provincial and local development planning and operations.
Department of Agriculture and Rural Development (DARD)	This Department has responsibilities for the agriculture, fisheries and aquaculture sectors. DARD also has considerable experience of managing PAs across Viet Nam. DARD also has good human resources at the local level for ensuring the integration of marine and coastal natural capital accounting into provincial and local development planning and operations.
Department of Planning and Investment (DOIT)	DOIT is the provincial arms of MOIT and thus critically important for integration of marine and coastal natural capital accounting into provincial and local development planning and operations. DOIT also has considerable experience implementing green growth at local level. DOIT will now have to play an increasing role in supporting the integration of marine and coastal natural capital accounting into provincial and local development planning and operations.
Department of Culture, Sports and Tourism (DCST)	This Department has responsibilities for implementation and management of the tourism sector. It contributes for ensuring the integration of marine and coastal natural capital accounting into provincial and local development planning and operations.
Civil Society, local communities and community-based organizations, e.g. Viet Nam Tourism Association, Fisheries Associations (FA), Farmers Unions, Women's Unions and Youth Union, Quang Ninh Tourism Association	<p>The Project recognizes the particular importance of female representation and decision-making rights in both national and provincial Women Unions; the scientific and technological community; workers and trade unions; business and industry; and local authorities. As such the Project will promote the participation of these key stakeholders in the project activities. Civil Society will be involved in the analysis of priority issues and the design of project interventions during the project preparation phase.</p> <p>Local communities in the targeted Province will be key participants and beneficiaries of the Project. Their involvement will be sought in the provincial developing planning.</p> <p>At the local level, a number of local Fishers Associations exist in Quang Ninh Province, which have been active in several aspects of wetland management and conflict resolution. Specific interests and project roles will be determined during the PPG as part of the stakeholder and gender engagement planning process.</p>

Organizations	Potential role in the project preparation
Private Sector, including at national and provincial levels: Accor Lived Limited, Quang Ninh Fishery Import ? Export Company, Halotour Company, Ha Long Tourism Company Limited.	<p>There is a significant interest among the private sector to understand and internalize the true costs of their operation to NC, including quantification of their dependency on NC. Private sector partners are expected to contribute to project formulation and execution at provincial level through broad consultations</p> <p>The Project will also build on the good work being done on integrating marine and coastal natural capital accounting into provincial and local development planning and fishery sector operations by engaging and supporting private sector companies. They would benefit from the Project through capacity development, the participation in sector reviews and round table discussions, as well as corporate sustainability reporting and/or business planning by incorporating NC (e.g. NC Protocols).</p>
Non-Governmental Organizations (NGOs)	<p>NGOs in Viet Nam play a vital role in convincing and supporting governments and business to undertake needed reforms through evidence-based research and advocacy. However, NGOs often lack access to reliable and timely information that they can use as evidence for their advocacy and to hold governments and businesses accountable, and therefore NGOs are beneficiaries (of NCA and spatial data framework) yet also potential collaborators on co-financing to the GEF project.</p>
Researchers and Academia	<p>Researchers trying to understand the drivers of loss of natural capital have been hampered by lack of ecological data robustly connected with social and economic data, making it harder to correlate causes and effect of change. Therefore, universities and research institutes are potential collaborators on the Project for capacity building and execution and will actively participate in the project preparation process.</p>
UN-Environment	<p>UNEP will act as the official project Implementing Agency, and UNEP's policies on stakeholders will be reflected in this project's stakeholder engagement plan.</p>
United Nation Statistic Division (UNSD)	<p>UNSD provides global and national support to mainstream economic and marine and coastal ecosystem services data to provide a more comprehensive and multipurpose view of the interrelationships between the economy and the marine and coastal ecosystem services and the stocks and changes in stocks of marine and coastal ecosystem services. This is based on the global agreed SEEA and SEEA-EA frameworks as basis for standardized NCA.</p>
United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and Global Ocean Accounts Partnership (GOAP)	<p>UNESCAP and GOAP will be in charge of technical support in development and application of the methodology for calculating coastal and marine resources through their expertise in different countries and their piloting including in Viet Nam and other Asian countries. They will contribute the resources for organizing the national workshops/training on NCA methodology as well as ocean accounting for coastal and marine resources.</p>

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

Gender and social issues will be fully integrated in this project as they are important drivers and incentives for achieving global environmental benefits. Women as well as men will directly be involved in the project preparation and all subsequent phases of the project. Special attention will be paid to gender issues in planning processes at national and provincial level, and in the capacity-building activities. Specifically, a gender gap analysis which identifies gender inequalities in access to and control over natural resources, women's participation and decision-making; and socio-economic benefits or services for women will be conducted during the project preparation phase in order to incorporate gender perspectives in project interventions and provide an impartial platform to address gender concerns. Additionally, specific log frame indicators and targets will be set related to gender equality or inclusiveness, as well as explicit budget allocations to enable meaningful M&E through collection of gender-disaggregated data. Representatives from women's unions, non-governmental organizations, and other groups advocating on behalf of women will be invited to participate in stakeholder consultation meetings. The project preparation phase (PPG) will also engage first-hand women's voices by employing participatory analysis involving women's groups to identify and target opportunities specifically related to women's roles in the targeted sectors, related to their role and dependencies in production, finance and decision making. Selection and design of technological and institutional interventions will be undertaken in close collaboration with women's organizations. To do this properly the PPG workplan and consultant staff will conduct a gender analysis (both national and in the province) and develop a gender action plan as part of the standard requirement of UNEP Project Document. ISPONRE will collaborate with the Institute for Family and Gender Studies to conduct the project gender analysis (and first during the PPG). Additionally, it is anticipated that the Project M&E Plan and related staff/budget, would enable both gender inclusion in project activities as well as the tracking of compliance.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; Yes

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

During full project execution it will enable provincial-level sector roundtables involving public and private entities, based on comprehensive assessment and analysis of key local industry players, impacts/dependency of the targeted economic sectors, as well as to ensure the collaboration of the private sector with the provincial government towards implementation of Blue Economy Growth model to reduce pollution and other impacts to marine/coastal ecosystems in the targeted landscapes. Additionally, it is expected that full corporate sector engagement would be facilitated through GEF incremental support to integrate NC considerations in Natural Capital Protocols specific per sector or private entity and/or conducting business planning for more sustainable operations and reporting. The sectors to be considered include the tourism, fishery, manufacturing sectors (although this is still pen until the PPG would be able to more accurately make a selection based on needs and potential). Baseline assessments and detailed design during the PPG will identify key private sector partners. Initial talks have been conducted with entities such as Viet Nam Tourism Association and Accor Lived Limited at national level, as well as with the Department of Tourism and Sport - Quang Ninh Province, the Quang Ninh Tourism Association, as well as the Ha Long Tourism Company Limited - working at local level, to understand what their contribution to the GDP consists of, as well as what main sector activities involve marine natural resources and need for introducing sustainable operations related to NC.

5. Risks to Achieving Project Objectives

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Risk	Risk Level	Mitigation Strategy
------	------------	---------------------

<p>Over-lapping institutional mandates and responsibilities among ministries and institutions could complicate and challenge the development of natural capital accounts and linking them with routine government processes such as e.g. budgeting</p>	<p>High</p>	<p>A Comprehensive stakeholder mapping analysis will be conducted at the inception phase. Those with high power and high potential will be involved in the project execution. These important partners' roles will be clarified in the project execution. A Project Steering Committee will be established with representatives of line Ministries (i.e. MPI, MARD, MOF and MONRE)</p>
<p>Raising of unrealistic/false expectations among policy makers; champions; key decision makers; technocrats about natural capital accounts and subsequent difficulties related to integration of these tools into decision making processes</p>	<p>Medium</p>	<p>During the project formulation, project outcome and outputs will be carefully formulated together with key stakeholders based on a need assessment.</p> <p>Institutional capacity building has been identified as key output of the project to ensure that policy makers can understand NCA. Policy advocacy will be conducted to transfer key messages to policy makers and support NCA mainstreaming into planning processes</p>
<p>Current institutions have inadequate technical capacity to develop/adapt natural capital accounting and valuation of ecosystem methodologies</p>	<p>Medium</p>	<p>Under Component 3, the project will establish a national community of practice group which will be supported with technical inputs and guidance from international experts. In case of unavailability of local experts in the country to lead some specific technical interventions, the project will facilitate support from international experts.</p>

<p>NCA results are not used to shape the targeted provincial development plan, i.e. if the additional NC information would not be used or does not translate into change in practice</p>	<p>Medium</p>	<p>Active participation of local authorities in Component 2 further enabled by capacity building under Component 1 will ensure the adoption of NCA as well as integration of NC values, trends and targets into planning process. Further, direct project support on the development of 5-year plan will ensure the utilization of NCA results for planning process</p>
<p>Climate change risks may disrupt pilot testing in Quang Ninh Province, as well as requires the provincial socio-economic development planning to incorporate climate impact predictions and mitigation measures</p>	<p>Low</p>	<p>Quang Ninh's Department of Natural Resources and Environment will support to provide sufficient and updated baseline data on climate impact predictions, as well as incorporate these in the design and operations of the socio-economic development plans of the province.</p> <p>Data on climate change impacts and scenarios will be collected during the PPG, for further analysis on climate risks and mitigation measures needed.</p>
<p>Exclusion of women from consultation processes</p>	<p>Low</p>	<p>The Project calls for and will apply and track the equitable participation of men and women, which may require measures to remove the socio cultural and economic barriers that silence women's voices; provide project guidelines on gender towards selection of staff, consultants and sub-contractors, and importantly in the implementation of the many project activities.</p>
<p>COVID induced delays to PPG and MSP implementation</p>	<p>Medium</p>	<p>Viet Nam has contained the outbreak of COVID reasonably well; and the ongoing vaccination programs and safeguards put in place will enable the return to normal business practice by end of 2022. However, modest delays and challenges are expected during the PPG with regards field mission, local situation analysis, stakeholder/gender analysis, and design consultations with local government. It is suggested ? as far as PPG funds allow, that the PPG team includes a full-time domestic consultant to assure a reasonable level of local engagement and data compilation/analysis.</p>
<p>COVID and co-financing capacity</p>	<p>Low</p>	<p>There is no impact expected on the ongoing and listed co-financing sources and programs</p>

COVID impact to national and provincial stakeholder affecting willingness to participate in the project	Low	The likelihood and estimated impact on ability and willingness to participate due to perceived infection risks is estimated to be low at time of PPG and project operations.
COVID impacts offering opportunity for ?blue? recovery path	Low	<p>Notwithstanding the likely ongoing impact of COVID on Government programming and funding, it is not expected that this will affect the listed baseline and co-financing projects</p> <p>We however see the close alignment and real contribution of the project to a green/blue recovery effort and expect an added opportunity for the GEF project to seek collaboration with such national programs, and especially to highlight the need and collaborate on a green recovery approach in Viet Nam, through the project outputs strengthening ecosystem resilience. Specifically, The Project incremental support towards adoption of blue economic growth path under 2.1.3 will enhance medium- to long-term land-/seascape ecological resilience ? and indirectly the resilience of e.g. local communities as well as physical infrastructure, through the protection, restoration and sustainable utilization of the ecosystem services of NC in Quang Ninh Province.</p>

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

The Ministry of Natural Resources and Environment (MONRE) will be the national executing agency (NEA), which will be responsible to the Government and UNEP for the quality and efficiency of using the capital and outputs of the project. The NEA will designate its Institute of Strategy and Policy on Natural Resources and Environment (ISPONRE) to be project owner which will be responsible for enhancing a coordinated cross-sectoral approach to promoting NCA ? especially in collaboration with GSO, bringing together VASI-MONRE, the GSO at national level and the Provincial Administrations for mainstreaming of coastal and near-shore natural capital into socio-economic planning 2026 - 2030 at the local level, with participation of DONRE, DPI, DONRE as well as selected private sector partners.

MONRE will oversee project activities with all related parties and communicating with other agencies during the implementation process; answer all questions related to the progress of the Project implementation; prepare mid-term review and report, complete the project and assess project impacts on the global environment. Agencies responsible for implementing activities within the project will

assign focal points to communicate closely with other relevant agencies and exchange relevant experiences.

The proposed project will coordinate closely with other relevant GEF-financed projects and other initiatives, especially the WB ProBlue program in collaboration with MPI, MONRE and Quang Ninh Province. Mechanisms to coordinate are proposed to include (a) a Project Board/Steering Committee which will be chaired by MONRE and include national and provincial partners (e.g. DONRE, MPI, other provincial administrations, etc.) and serve as the key governance and decision-making body for the project (membership will be confirmed during the PPG); (b) a national technical advisory group to provide technical inputs on project methodology, outputs and activities (representatives from key projects will be invited to participate); (c) project-to-project coordination through regular contact of the PMUs of respective projects; (d) coordination through common executing partners/supporting partners (e) knowledge management activities.

The project will coordinate with GOAP and UN-ESCAP during the PPG phase to ensure the design of the project will be complemented with GOAP/UN-ESCAP activities on ocean accounting and mobilize technical inputs from them.

Particular attention will be paid to coordinate with the following projects and initiatives.

Table: Building on recently completed and on-going initiatives

Name of on-going and planned program/project, years of implementation and sites	Program/project objectives and targets	How proposed UNEP/GEF project will collaborate with the program/project?
GEF/MONRE Mainstreaming Natural Resources Management and Biodiversity Conservation into Socio-economic planning and management of Biosphere Reserve (2020-2025)	<p>? Mainstream biodiversity conservation objectives into governance, planning and management of socio-economic development and tourism in biosphere reserves.</p> <p>? Functional governance and coordination mechanisms to support decision-making between provinces and national levels</p> <p>? Guidelines for biodiversity impact assessment and tools for environmentally friendly tourism business planning and strategic planning for ecotourism development</p>	The Project experiences in mainstreaming biodiversity conservation in governance and planning would be useful to the GEF NCA project

<p>Technical Guidance on Ocean Accounting coordinated by GOAP[1] (since 2019)</p>	<p>Adapts aspects of the System of National Accounts (SNA) to ensure a common approach to defining the ocean economy. It adapts aspects of the SEEA-Central Framework to ensure appropriate delineation of national boundaries and the measurement of land-based pollution and marine resources. It also adapts aspects of SEEA Ecosystems to ensure appropriate identification of coastal and marine ecosystems, their condition, the services they provide and the benefits of these services in terms of monetary and non-monetary measures. It adds to the existing frameworks a consideration of governance, institutional, social and technological concerns required for addressing SDG14. The GOAP coordinates the development of the Technical Guidance including through further research, testing and experimentation of the ocean accounts framework by UNESCAP and GOAP.</p>	<p>UNESCAP and GOAP will provide advice and work with GEF/UNEP to develop methodology for Viet Nam</p> <p>GOAP can mobilize international experts to support Viet Nam since ISPONRE is a member of GOAP</p>
<p>WB PROBLUE with VASOI, MONRE and MPI (completed sub-projects only)</p>	<ul style="list-style-type: none"> ? Support to prioritize and mobilize new investments for a blue economy ? Support development of Sustainable Fisheries in Viet Nam: Informing the policy framework and investments ? Develop the proposal for blue economy partnership & blue economy strategy guidance ? marine plastics prevention and pollution control ? marine spatial planning 	<p>The project will build on the results from PROBLUE (i.e. blue economy partnership, sustainable fishery and water pollution control in coastal NC/PAs.); as well as upcoming collaboration with VASI on marine spatial planning.</p>

<p>ISPONRE - Development of scheme on ?Building a blue economy model towards sustainable marine economy development to implement the Strategy on sustainable development of Viet Nam?s marine economy until 2030 with vision towards 2045? (2020 ? 2022).</p>	<p>Develop a draft Decision of the Prime Minister towards approval of the scheme on ?Building a blue economy model towards sustainable marine economic development to implement the Strategy on sustainable development of Viet Nam?s marine economy until 2030 and vision towards 2045?</p>	<p>Guidance from the scheme would be used for designing the spatial data framework for ocean accounting</p>
<p>VASI - National tasks on development of national marine spatial planning, and Master Plan on Sustainable exploitation and use of coastal resources in the period of 2021-2030, with vision to 2045</p>	<p>? To analyze, assess natural resources stock and condition, direct impact drivers, context and current state of using the Viet Nam coastal areas, islands, archipelagos, seas and skies;</p> <p>? To forecast trends of natural resources and environment fluctuations; climate change impacts on natural resources and environment; needs for resources for exploitation and the requirement of environmental protection in Viet Nam?s coastal areas, islands, archipelagos, seas and skies during the planning period</p> <p>? To conduct zoning for resource utilization in the marine space of Viet Nam, sovereignty right and jurisdiction.</p> <p>? According to the plan, the Master plan will be submitted to the Government for approval in 2022</p>	<p>The national marine spatial planning will support the development of national spatial data framework</p>
<p>ISPONRE - Pilot study for ocean accounting (2019 ? 2020)</p>	<p>? Estimate and allocate land-based pollution to a watershed/drainage basin;</p> <p>? Map(ping) of mangrove ecosystems</p> <p>? Estimate impacts of tourism on ecosystems</p>	<p>ISPONRE was the implementing Agency. Some data collected under the pilot study can be utilized for GEF/UNEP project</p>

<p>WB Wealth Accounting and the Valuation of Ecosystems Services (WAVES)</p>	<p>? Implement the project "Valuing the Forests" an application of Natural Capital Accounting (NCA) in 2013.</p> <p>? Conduct study on the estimated values associated with aquaculture and capture fisheries production, carbon sequestration, and coastal protection in Quang Ninh and the Tam Giang-Cau Hai Lagoon.</p>	<p>ISPONRE was the implementing Agency. The studies will help refine the methodologies that will be applied in this project</p>
<p>Quang Ninh provincial projects</p>	<p>? Project on Biodiversity Conservation Planning in Quang Ninh Province until 2020 ? with vision towards 2030</p> <p>? Project on establishment of Dong Rui Wetland PA in Tien Yen District (2017 to 2018). The Project aimed the sustainable management and protection of mangrove forests and other coastal ecosystems in line with RAMSAR; and to develop this as center for regional agrobiodiversity conservation, with focus on endemism, and sustainable utilization for farming/fisheries;</p> <p>? Project on planning for the establishment of Co To ? Dao Tran MPA, to be the baseline for the establishment and operation of Co To ? Dao Tran MPA, including developing eco-tourism, improving livelihoods, as well as fisheries resource management. It also proposed functional zoning of the MPA. However, in the baseline, economic and ecological values of natural capital and ecosystem services were not assessed nor integrated in the planning process, which is a weakness as well as opportunity to the GEF project to build on in its targeted intervention areas.</p> <p>? Project on planning for the development of Quang Ninh Coastal Protection Corridor, developed a plan for a coastal setback to protect key ecosystems and ecosystem services, and to reduce risks to human settlements due to coastal erosion and sea-level rise.</p> <p>? Project on Profile to nominate Bai Tu Long National Park as ASEAN Heritage Park</p> <p>? Project on Investigation on endanger, precious, rare and priority species in Bai Tu Long National Park and recommendation for the management plan</p> <p>? Project on Master Plan for Protection and Development of Bai Tu Long National Park</p>	<p>Provide data and GIS maps, partnership for GEF/UNEP project; as well conservation targets and sites for inclusion into the new Socio-economic development planning.</p>

<p>UNEP's global initiative ?Strengthening decision making through Valuation and Accounting of Natural Capital for Green Economy (VANTAGE)?</p>	<p>Contribute to a better integration of the value of ecosystem services and subsequent accounting for better macroeconomic policies and national development planning to support efforts of stakeholders and in turn to help in achieving the elements of a green economy and the sustainable development goals (SDGs).</p>	<p>Experiences from VANTAGE on valuation of ecosystem services can be applied to calculate the contribution from ocean resources to national economy.</p> <p>Enhanced capacity to apply ecosystem services tools and to integrate them in decision-making processes as well as to build partnerships between national and international parties to foster the best knowledge available.</p> <p>Unlocking inclusive green growth requires the recognition that macro-economic policies and national green growth strategies affect women and men differently. It is necessary to enhance capacity for policymakers in incorporating gender-responsive approaches in the development and implementation of their policies.</p>
---	--	--

<p>UNEP - The Economics of Ecosystems and Biodiversity (TEEB)</p>	<p>Draw attention to the economic benefits of biodiversity including the growing cost of biodiversity loss and ecosystem degradation. TEEB presents an approach that can help decision-makers recognize, demonstrate and capture the values of ecosystem services and biodiversity.</p>	<p>Experience from TEEB on valuation of ecosystem services can be applied to calculate the contribution from ocean resources to national economy</p>
<p>The Natural Capital Project</p>	<p>Develop InVEST ('Integrated Valuation of Environmental Services and Tradeoffs'), a free and open-source software that enables users to quantify natural capital in biophysical, socio-economic and other dimensions.</p>	<p>Experiences from InVEST on valuation of ecosystem services can be applied to calculate the contribution from ocean resources to national economy</p>
<p>UNSD - Draft Programme of Work drafted for the Experimental Ecosystem Accounting (EEA) under the SEEA</p>	<p>Develop a National Programme for Viet Nam on Ecosystem Accounting for 2015-2020</p>	<p>Institutional structure for SEEA-EA was identified and which can used as the input for getting related stakeholders on natural capital accounting</p>
<p>WB project ?Valuing the Forests ? an application of Natural Capital Accounting (NCA) in Viet Nam?</p>	<p>Develop the National Forestry Account and Natural Capital Accounting Roadmap up to 2020. WB also supported a recent project that estimated values associated with aquaculture and capture fisheries production, carbon sequestration, and coastal protection in Quang Ninh and the Tam Giang-Cau Hai Lagoon</p>	<p>Experiences of these projects on forest accounts and ecosystem service valuation will help refine the methodologies that will be applied in this project</p>

<p>UNEP/GEF 10385 Mainstreaming Natural Capital Values into Planning and Implementation for Sustainable Blue Economic Growth in Indian Coastal Districts, India.</p>	<p>Applying natural capital accounting to enhance biodiversity conservation and environmental sustainability of critical coastal wetlands in two landscapes (in Karnataka and Kerala States) in India by integrating natural capital and ecosystem services values in District-level blue economy strategy and spatial planning processes, as well as coastal sector operations.</p>	<p>This is one of the other few GEF projects targeting the development as well as specifically its application of natural capital accounting to coastal development planning and sector operations; which will provide valuable lessons about approach, how to secure local government interest and involvement as well as on how to sustain such programs through government and statistical entities and programs.</p>
<p>UNEP/GEF 10386: Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscapes (Philippines).</p>	<p>The Project will catalyze implementation of the country's national NCA Roadmap, thereby integrating the value of natural capital, ecosystem services and biodiversity into planning and decision-making processes within government, the private sector and financial institutions. As a result, the Project will lead to enhanced conservation and sustainable management of PA landscapes throughout the Philippines by scaling up field demonstrations, including investment in initial replication steps.</p>	<p>The project will benefit from another - soon to start, example on the use of NCA for integration of natural capital in development planning. It's approach in using NCA to benefit PA landscapes, including PA financing, will be of great interest to the targeted Vietnam PA landscapes, and socio-economic development planning.</p>

[1][1] See <https://www.oceanaccounts.org/technical-guidance-on-ocean-accounting-2/>

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assessments under relevant conventions?

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

Viet Nam is a signatory to the National Capital Accounting communiqué that emerged from Rio+20, which calls on governments, UN agencies, financial institutions and other international organizations to strengthen the implementation of natural capital accounting.

In addition, the achievement of Aichi Target 2 under the Convention on Biological Diversity was noted as specifically relevant to the advancement of environmental-economic accounting in Viet Nam. The project contributes to many elements of the National Biodiversity Strategy (2015) and to priorities set out in Viet Nam's Fifth National Report to The United Nations Convention On Biological Diversity (2014).

Viet Nam's National Strategy for Environmental Protection until 2020 and Vision Towards 2030 calls for speeding up the application of economic mechanisms and tools in conformity with market economic regimes in order to realize macro manipulations of development activities toward environmental friendliness, especially through fiscal policy (tax, fee, security, payment for environment services) and regulatory policy with and environmental economic accounts. These are consistent with international policy drivers such as the Sustainable Development Goals (SDGs) and Aichi Target 2.

The Project will support to implement the Resolution on sustainable development of blue economy (36-NQ/TW), which has the objective on improving management of marine/coastal ecosystem; increase the areas of marine protected area covering 6% of total country area, restoration of coastal mangrove.

The Project will help Viet Nam to monitor and report the SDGs implementation, especially the SDG14 on Conserve and sustainably use the oceans, seas and marine resources for sustainable development identified under the National Action Plan for the Implementation of Agenda 2030 for Sustainable Development.

The Project will apply gender empowerment as regulated in the Viet Nam Law on Gender Equality to ensure gender equality in project approach and activities, including implementing natural capital accounting. It is consistent with UN Convention on Biological Diversity's gender action plan 2015-2020.

8. Knowledge Management

Outline the knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Knowledge management is an integral part of the UNEP/GEF project formulation. Component 3 aims to establish a strong knowledge management process within the project. The project will establish a

community of practice (CoP) to connect local and national practitioners who work on economics of biodiversity, valuation of ecosystem services and natural capital accounting on a process of collective learning. The main agenda of the CoP will be seeking national experience and connecting with them; coordination and development of national strategy on knowledge management; including a.o data collection for the national knowledge depository including documenting best practices, discussing developments; mapping knowledge and identifying gaps. The CoP will also support the agreement on, partnership building between data providers and data users, as well as access to data under the project sponsored National Spatial Data Framework for compiling marine and coastal accounts. Additionally, the knowledge and information shared through the CoP will also feed into the dialogues, information exchange and capacity building opportunities provided under the Blue Economy Partnership facilitated by VASI, specifically relating the natural capital accounting and its application to sustainable blue economic growth. This linkage will be ensured by ISPONRE, which has also been actively engaged in Vietnam's Blue Economy Partnership.

The Project's knowledge management strategy will focus on collecting, analyzing and disseminating information on what does and does not work in mainstreaming biodiversity and ecosystem services through Natural Capital Accounting and other methods. In addition to the project's technical reports, the project will establish a talent and expertise database which can enhance further collaboration. The project team will collaborate with other international initiatives working in this new thematic area. ISPONRE will play an essential role in these efforts, for example, through its active engagement under the Global Ocean Accounts Partnership, as well as through Vietnam's active participation in UNEP's Sustainable Blue Economy initiative through which experience and knowledge can be shared with other participating countries. It is critically important to disseminate and make accessible the information concerning the project's work or information generated through its execution as widely as possible. Transparency, accountability, and openness can become a catalyst for achieving a greater impact. The use of modern information and communications technology will enhance the effective participation of stakeholders in a cost-effective manner. ISPONRE as the national policy and strategy development agency in MONRE, is best placed and has the data and hardware/software capacity to run the KM system under the project in support of sustaining the national NCA program and its support to key agencies such as VASI and GSO, as mandated agencies on blue economy and statistics, respectively.

The Project will establish an online national knowledge access depository. The depository will store national policies, norms, standards and guidelines on economics of biodiversity, valuation of ecosystem services and natural capital accounting, as well as the evolving KM products generated by the project.

The Project will develop and implement a set of awareness raising and outreach activities focused on using the results of the project (e.g. round tables and analytical work on NC impact and dependencies for corporate sectors, the linkage between NC, ecosystem services, biodiversity and economic

development), as well as KM products such as to be captured in 'best practice' factsheets, short video clips and use on social media accounts and existing websites under the management of ISPONRE and other government entities.

In addition to physical presence at stakeholder consultation meetings, trainings, workshops; online participation in project activities will also be made possible through information sharing platforms and discussion forums which will also enhance capturing and disseminating project's lessons learned.

All communication and knowledge management activities will apply a gender sensitive approach with following principles:

- ? Use male and female knowledge product and public education developers for diversity of perspectives and approaches, as well as male and female reviewers of these products.
- ? Use gender sensitive language and gender balanced images (women not presented as victims but as agents of change).
- ? Check context and content (use gender analysis; use convincing gender arguments based on reliable sources and qualitative and quantitative data including sex disaggregated data).
- ? Refer to (inter-)national policy framework, policies, strategies and plans, as applicable and appropriate.

9. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Low			

Measures to address identified risks and impacts

Provide preliminary information on the types and levels of risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards) and describe measures to address these risks during the project design.

This is a low-risk project. It plans to apply marine and coastal NCA toward development and implementation of blue economic growth and land-/seascape conservation planning for Quang Ninh Province. Considering the potential implication of such result to tourism, fishery, agriculture, etc., SS1 and SS 2 risk level is slightly elevated. In addition, GP (reflected through the GP questions 1-10) should be considered even for the low-risk projects.

Supporting Documents

Upload available ESS supporting documents.

Title	Submitted
Viet Nam_SRIF- ver2 FINAL for signature Yunae	

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And GEF Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Mr. Nguyen Duc Thuan	Director of Viet Nam Environment Protection Fund	Ministry of Natural Resources and Environment	6/30/2021

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

PROGRAM/PROJECT MAP AND GEOGRAPHIC COORDINATES

Quang Ninh Province is situated along the Northeastern coast of Viet Nam from N20°40' to N21°40' and from E106°25' to E108°25'.

