

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

Review PIF and Make a recommendation

## Basic project information

**GEF ID**

10906

**Countries**

Viet Nam

**Project Name**

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

**Agencies**

UNEP

**Date received by PM**

12/21/2021

**Review completed by PM**

4/26/2022

**Program Manager**

Jurgis Sapijanskas

**Focal Area**

Biodiversity

**Project Type**

MSP

## PIF

### Part I ? Project Information

#### Focal area elements

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

Secretariat Comment at PIF/Work Program Inclusion

Cleared.

Thank you for the thorough revisions and responses throughout this review sheet.

JS 1/20/2022 -

1- Given the project`s content, please report the full project under BD-1-3.

2- Please proofread the document, which contains a non negligible number of incomplete sentences and missing or incorrect words.

Agency Response

UNEP response 22 March 22:

1. Done. See revision in Table A and Page 30 - contribution to GEF strategic programs in PIF
2. All text of PIF has been checked and edited thoroughly; including strengthening contents and grammar.

#### Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

#### Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- All Cleared.

In relation to 2 and 5, during PPG, please further:

- identify how the project can improve the enabling environment for NCA in general, beyond the well justified marine and coastal focus of the project.

- explore the possibilities for the project to improve management effectiveness of the PAs present in the landscape (as measured by the METT) and report the corresponding project impact on core indicator 1.

JS 1/20/2022 -

1- Please revise the project objective to ensure it is as concrete as possible and SMART. It most notably seems difficult to evaluate, as the TE will have to do, if "blue economy opportunities" have been "enabled".

2- Components 1 and 3: While the demonstration under component 2 and the project overall can usefully focus on the marine and coastal environment, the project's contribution on the enabling environment for NCA (e.g. institutional arrangements, capacity building, development of a national data framework, community of practice) should - to extent possible for a MSP - go beyond just marine and coastal aspects. At a very minimum it should ensure institutional compatibility and consistency with NCAA for terrestrial ecosystems, and thus involve related governmental agencies and stakeholders. Please revise table B and the description of the alternative scenario to make clear what would advance NCAA in general, and please justify in the description of the alternative scenario why some outputs of components 1 and 2 (if any) would only serve NCAA for marine and coastal ecosystems.

3- output 2.1.1: Please clarify the anticipated amount and extent of the ecosystem and thematic accounts to be developed with project support and justify that these will be sufficient to adequately inform development planning. In particular, would all 5 types of ecosystem accounts (extent, condition, ecosystem service in biophysical and monetary terms, asset account) be delivered? How many and what thematic accounts could tentatively be covered under the project?

4- output 2.1.2: We understand that this output is to deliver (i) roundtables to discuss assessments of NC-related impact and dependency of key sectors with relevant stakeholders; and (ii) NC Protocols and/or business sustainable development plans.

4.a. Please clarify what "commitments" means in the output title.

4.b. Please clarify what would be the incentive for corporates to collaborate with the project and develop NC protocols. Please notably confirm that the project would provide support for the development of NC Protocols.

4.c. Having only 2 corporate entities developing Protocols or Sustainable Business Plans seems very small. Please revise or justify this very conservative target.

5- Component 2 in general and outputs 2.1.2 and 2.1.3 in particular: Please clarify why it was chosen not to have a more direct contribution on protected areas in the targeted province through this NCA effort. Why notably is output 2.1.3 to be focused "specifically outside of protected areas"? Likewise, output 2.1.2 dedicated to the private sector could be a good channel to improve PA financial sustainability. We recommend employing a true landscape approach encompassing PAs and areas outside PAs, and using this project to also more directly contribute to PA management effectiveness and financial sustainability. Please see also comment #2 on core indicators further down in this review sheet.

6- output 3.1.2: Please clarify what the output is to deliver concretely and ensure the output title reflects it. From the description of the alternative scenario, we understand output 3.1.2 would be restricted to replication in one additional province only ("*Under the project replication strategy, one additional provincial collaboration with GSO will be established, including on development of additional NCAs as well as their application to blue economic growth path/PA landscape management and monitoring in the new province.*"). We would expect, as suggested by the output's title, a more comprehensive and ambitious replication strategy. Please see also related comments on the ToC.

#### Agency Response

**UNEP response 5 May 2022: No problem, we will do so during the PPG**

**Agency response 25 April 2022:** this can and will be built in the ToR for PPG

JS 1/20/2022 -

1- Please revise the project objective to ensure it is as concrete as possible and SMART. It most notably seems difficult to evaluate, as the TE will have to do, if "blue economy opportunities" have been "enabled".

**UNEP response 22 March 22:** Project objective simplified.

2- Components 1 and 3: While the demonstration under component 2 and the project overall can usefully focus on the marine and coastal environment, the project's contribution on the enabling environment for NCA (e.g. institutional arrangements, capacity building, development of a national data framework, community of practice) should - to extent possible for a MSP - go beyond just marine and coastal aspects. At a very minimum it should ensure institutional compatibility and consistency with NCAA for terrestrial ecosystems, and thus involve related governmental agencies and stakeholders. Please revise table B and the description of the alternative scenario to make clear what would advance NCAA in general, and please justify in the description of the alternative scenario why some outputs of components 1 and 2 (if any) would only serve NCAA for marine and coastal ecosystems.

**UNEP response 22 March 22:** Thanks for this suggestion. We have modified the targets under Outcome 1.1, definition of Output 1.1.1, as well as its description in project alternative (section 1.3), where the project will aim at consistency and raising readiness towards national institutional compatibility and consistency with NCA involving all ecosystems, which would concern a range of additional ministries and line agencies beyond those mandated or involved in coastal and marine NC only. 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). However, due to considerations of feasibility and project focus, Output 1.1.3 spatial data framework - will (remain) focussing on coastal and marine resources.

3- output 2.1.1: Please clarify the anticipated amount and extent of the ecosystem and thematic accounts to be developed with project support and justify that these will be sufficient to adequately inform development planning. In particular, would all 5 types of ecosystem accounts (extent, condition, ecosystem service in biophysical and monetary terms, asset account) be delivered? How many and what thematic accounts could tentatively be covered under the project?

**UNEP response 22 March 22:** The project will follow the guidance from GOAP and focus on development of the following accounts: Ecosystem assets accounts, condition account, ecosystem services account and pollutant accounts (i.e. wastewater or plastic waste); with an ecosystem focus on mangroves and seagrass meadows. Ecosystem services of mangroves will be analysed in both biophysical and monetary term (for mangrove).

The developed accounts focus on the main coastal ecosystems in Quang Ninh (i.e. mangrove) which is mostly impacted by development activities (i.e. see the description in the PIF). Reducing pressures from development activities (i.e. tourism, aquaculture) will be taken in consideration as part of the upcoming economic development planning process (i.e. socio-economic development plan 2026 ? 2030)

4- output 2.1.2: We understand that this output is to deliver (i) roundtables to discuss assessments of NC-related impact and dependency of key sectors with relevant stakeholders; and (ii) NC Protocols and/or business sustainable development plans.

4.a. Please clarify what "commitments" means in the output title.

**UNEP response 22 March 22:** Commitments would mean securing support from provincial government for development and utilization of NCA for provincial planning processes; as well as by corporate partners to adopt some of the results generated through the partnership and NC Protocols to their enhanced sustainability analysis, planning and reporting (types of NC Protocol, Sustainable Business Plans and/or sustainability reporting) by using the datasets and results of NCA in partnership with the government, as enabled through analysis and engagement under output 2.1.2.

4.b. Please clarify what would be the incentive for corporates to collaborate with the project and develop NC protocols. Please notably confirm that the project would provide support for the development of NC Protocols.

**UNEP response 22 March 22:** NCA can be used to inform master planning in Quang Ninh province which will be the foundation for NC protocol development, business planning and sustainability reporting by corporate partners. In other words, master planning will include selected corporate sectors including those of concern to tourism, fishery, agriculture sectors; as well as land use (spatial) planning. Our intention here is that the sectoral plans will take consideration of NC. It is a consultation process for planning purposes with the participation of local authorities and business sectors to reduce or avoid impacts from sector operations and investments (i.e. tourism and aquaculture) to NC. The incentive is their (?go green?) reputation - e.g. by incorporation into CSR programs as well as the recognition by all involved of key NC resources and services of business interest (such as e.g. steady water supply for beverage industry and fish processing/ice factories, clean environment and protected beaches for tourism, water for rice paddies etc).

4.c. Having only 2 corporate entities developing Protocols or Sustainable Business Plans seems very small. Please revise or justify this very conservative target.

**UNEP response 22 March 22:** Thanks, we have modified the target to "at least 4 corporations?". Note: targeting few sectors would involve multiple types of agencies and partners including the corporations suggested in the PIF. Also, whilst restricted to the proposed tourism and fishery sectors, the targeted improvements will potentially be having a great impact on marine resources beyond just the corporations involved.

5- Component 2 in general and outputs 2.1.2 and 2.1.3 in particular: Please clarify why it was chosen not to have a more direct contribution on protected areas in the targeted province through this NCA effort. Why notably is output 2.1.3 to be focused "specifically outside of protected areas"? Likewise, output 2.1.2 dedicated to the private sector could be a good channel to improve PA financial sustainability. We recommend employing a true landscape approach encompassing PAs and areas outside PAs, and using this project to also more directly contribute to PA management effectiveness and financial sustainability. Please see also comment #2 on core indicators further down in this review sheet.

**UNEP response 22 March 22:** In our design and scoping considerations, we have been guided by analysis of previous GEF and non-GEF initiatives, considerations of feasibility of planned work against available project resources (just 1.2M GEF) as well as lead executing agencies' mandate and capacity to implement the project plan (basically ISPONRE, VESA, GSO and local provincial government). Additionally, we

note that GEF core indicators are to capture direct impacts only; and improved planning around/outside PAs is not considered sufficient to claim direct impact (on PAs) through the Core Indicators. Because of this, the rather small grant resources available, as well as the need to maintain focus in the project, we have decided to zoom-in the GEF supported interventions to the landscape elements outside the PAs such as buffer zones, corridors etc. Also, the PAs stated in the PIF and being an integral part of the landscape area - large 142,696 ha are already being protected under conservation plans approved by local authorities yet excluded from any direct project support (e.g. through PA management plans, staff capacity building).

However, considering the GEFSEC review, we have rethought our project interventions (especially 2.1.3) - whilst maintaining our overall project approach, towards generating additional indirect benefits to PAs in the form of increased appreciation with local government of the NC values and functions contained in PAs, improved biodiversity and ES-friendly spatial allocation of land-use outside PAs, as well as specifically increased programmatic integration and budgeting for PAs in the provincial Socio-economic development plan(ning) 2026-2030. Whilst not anticipating the direct involvement of (M)PA management teams or work inside PAs, this may lead to the enhanced management effectiveness through new or additional financing for the costs of PA management. Under Output 2.1.2 the project will work with government and corporations involved in the fisheries and tourism sectors to zoom in on their impact yet also dependencies on NC contained in PAs, as part of their business planning for enhanced sustainability and protection of NC. See revised outputs 2.1.2 and 2.1.3, revised targets as well as strengthened text in 1.3. Part of this would be to make case for economically feasible ways to invest in PAs for greater financial resources - both private and public, in support of PA management with NC outcomes - such as sustainable/nature tourism, fisheries/agritourism tours etc, whilst assuring protection of NC.

Specifics on what and how - will have to be assessed and worked out during the PPG detailed design

6- output 3.1.2: Please clarify what the output is to deliver concretely and ensure the output title reflects it. From the description of the alternative scenario, we understand output 3.1.2 would be restricted to replication in one additional province only ("*Under the project replication strategy, one additional provincial collaboration with GSO will be established, including on development of additional NCAs as well as their application to blue economic growth path/PA landscape management and monitoring in the new province.*"). We would expect, as suggested by the output's title, a more comprehensive and ambitious replication strategy. Please see also related comments on the ToC.

**UNEP response 22 March 22:** We have modified our target to ?at least three additional provinces establishing new NCAs (facilitated by GSO, MONRE-ISPONRE) and applying ocean accounting to deliver on national policies of environmental protection, sustainable development or a blue economy growth path (local government, VESA etc). Output 3.1.2 has been redesigned and its description updated in section 1.3. The replication strategy will be implemented by including projects/programme on NCA for other coastal provinces of Viet Nam in legal documents at national level (i.e. Blue Economy Proposal). The lessons and partnership developed through the pilot under Component 2 would be a demonstration for consideration of upscaling NCA in Viet Nam under Component 3. Related to the project replication mechanism we have also reformulated ToC Pathway no 4.

## Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

JS 5/5/2022- Cleared.

JS 4/29/2022-

For the 2 grants / Investment Mobilized entries, please provide the information of each grant under table C, in the Investment Mobilized section. Based on the information submitted, it appears that each government entity will provide the amount in cash directly to the project. If this is the case, include this information in the Investment Mobilized section.

JS 4/8/2022- Cleared, thank you.

JS 1/20/2022 -- Co-financing from ISPONRE and Quang Ninh Province are tagged as "grants" and "recurrent expenditures". Grants usually fall under the "investment mobilized" category rather than under recurrent expenditures. Please clarify if these are indeed grants and not, e.g. public investments. Please clarify why they are tagged as "recurrent expenditures".

## Agency Response

**UNEP response 5 May 2022:** a note and clarification on these grant investment funds has been added to PIF Section C on co-financing, including on the GEF Portal.

**UNEP response 22 March 22:** Thanks we have corrected both the classification and amounts on in-kind recurrent as well as grant investments. Grant investment co-financing from ISPONRE and Quang Ninh Province 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, SE development planning etc; as well as in-kind re-currents from services, tools etc through other government programs/projects.

## GEF Resource Availability



**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

Secretariat Comment at PIF/Work Program Inclusion

Cleared.

JS 1/20/2022 -Yes, but the LOE authorizes the uses of a total of \$1,548,252, i.e. the entire remaining STAR allocation of Viet Nam , when this submission totals \$1,542,672, leaving \$5,581.6 of STAR allocation.

Please revise the amounts to make sure the full STAR allocation is utilized.

Agency Response

**UNEP response 22 March 22:** The error and difference was in the fact we stated a too low IA fee in Table D, which has now be corrected to USD 129,573 (from USD 123,993).

**The STAR allocation?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 -See above.

Agency Response

**UNEP response 22 March 22:** see response above on increase of STAR allocation

**The focal area allocation?**

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

**The LDCF under the principle of equitable access?**

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

**The SCCF (Adaptation or Technology Transfer)?**

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

**Focal area set-aside?**

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

**Impact Program Incentive?**

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

**Project Preparation Grant**

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

Secretariat Comment at PIF/Work Program Inclusion JS 1/20/2022 -Cleared.

Agency Response

**Core indicators**

**6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/26/2022 - Cleared, thank you.

JS 4/8/2022-

4- The climate mitigation target provided is very large (more than 10.3 MtCO<sub>2</sub>eq) when the underlying assumptions and their justifications are not provided in the PIF. The annexed EX-ACT calculations seem to assume that thanks to the project:

-deforestation of 23,000 ha of tropical moist forest would be avoided

- the state of 77,871ha of tropical moist forest would improve from largely degraded (60% biomass lost) to moderately degraded (40% biomass lost compared to reference state)

-the excavation of 3677.1ha of mangrove will be avoided

-12,257ha of mangrove and 885ha of seagrass ecosystems will be restored

Please provide these underlying assumptions in the PIF (under table F) and a justification for each of these figures (e.g. background deforestation rate in the target site, how much the project anticipates to be able to curb this rate, etc.). Please clarify why mangrove and seagrass restoration is included in the EX-ACT calculation when no restoration target is provided under core indicator 3. Finally, please consider deriving a more conservative estimate for GHG mitigation, especially at PIF stage.

4b and 5: Please provide under table F a short narrative explaining how the targets were set, including the main assumptions used in EX-ACT for the mitigation calculations (core indicator 6), a short summary of the assumptions used to derive the 840 figure for beneficiaries (Annex B is not included in the portal entry, and the footnote therein only provides the breakdown of the number of beneficiaries by agency/stakeholder type), and one or two sentences clarifying to what correspond the hectares reported under core indicator 4 and 5 (i.e. the project interventions that lead to improved practices over these hectares).

The rest is cleared.

JS 1/20/2022 -

1- Please clarify how the project is to have a direct impact on the hectares reported on core indicators . Our understanding is that the project would ultimately lead to enhanced provincial planning for the period 2026-2030 and to corporate commitments and plans. But it seems doubtful that these plans or commitments would be implemented, let alone have an impact, on the ground within the 3-year timeframe of the project.

2- Please clarify why the PIF has no targets on core indicators 1 and 2 when there are several protected areas (PAs) in the province and the PIF itself mentions it would be "involving at least 33,660 hectares of terrestrial Protected Areas landscapes, as well as 17,998 ha of MPAs". From the PIF's section 1.5 on global environmental benefits, we understand that impact on PAs from the project is considered as indirect only. However, it is unclear (i) why project impact is considered as more indirect on PAs than outside of PAs, and (ii) why it was chosen not to have a more direct contribution on PA management through this NCAA effort.

3- The PIF has no target on core indicator 5 when the project is supposed to involve marine areas ("as well as a total of 1,440 hectares marine and coastal habitats in Quang Ninh Province"). Please revise and confirm that all hectares reported under core indicator 4 are indeed terrestrial.

4- GHG accounting: Thank you for aiming at capturing climate mitigation co-benefits. However:

4a- Please refer to guidance on core indicators, GHG accounting should be over a period of 20 years:

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO <sub>2</sub> e (direct)	[REDACTED]			
Expected metric tons of CO <sub>2</sub> e (indirect)	120,777			
Anticipated start year of accounting	2023			
Duration of accounting	1			

4b- Please also clarify the methodology and assumptions used under table F. If, as suggested by the guidelines, FAO's EX-ACT tool was used, please attach the corresponding spreadsheet.

5- Please clarify under table F how the target for core indicator 11 was set (short description of methodology / main assumptions).

### Agency Response

#### Agency response 25 April 2022:

- To start with the latter on CI 11: we came to these figures based on; ISPONRE 10 staff; Other agencies in MONRE (VEA, VASI...) 10 staff; GSO 10 staff; MPI agencies 10 staff; Other Ministries (MOF, MARD, MOCST...) 10 staff; PPC 5 staff; DPI 5 staff; Other agencies in PPC (DARD, DONRE) 10 staff; Community 500 staff; Private sector 50 staff; NGOs 20 participants; Academia 200 participants: TOTAL 840 (with 40 female and 60 male). A footnote on this is included to Table F & Annex B.
- Clarification on baseline and assumptions used for GHG calculations of CI 6 has also been added to table F and Annex B; and states:
  - 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 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.
- Annex B was already part of the uploaded PIF; yet we have also uploaded it now as separate file including the various clarifications on the two CIs.
- We have removed any suggestion and calculation related to restoration of seagrass as well as mangroves.
- CI 6 has been recalculated based on the baseline trends and assumptions stated; a revised EX-ACT calculation sheet has been uploaded.

JS 1/20/2022 -

1- Please clarify how the project is to have a direct impact on the hectares reported on core indicators. Our understanding is that the project would ultimately lead to enhanced provincial planning for the period 2026-2030 and to corporate commitments and plans. But it seems doubtful that these plans or commitments would be implemented, let alone have an impact, on the ground within the 3-year timeframe of the project.

**UNEP response 22 March 22:** Results from accounting will be used to inform provincial socio-economic plan (2026 ? 2030) but will also be discussed and shared in different platforms/sector round tables with participation of local authorities, NGOs, academics and different business sectors, which will enhance likelihood of implementation. Following the Planning Law of Viet Nam, the socio-economic development plan is a combined integrated planning basis for all (government) sectors, which means that the plan guides the development of provinces - based on applying the various applicable national policy such as the two ocean resolutions, and avoid conflict with and within different sectors Also, the socio-economic development plan, is the core basis of provinces used guiding budgeting and sector decisions, which directly relate to application of NC-based decisions, programs and targets.

2- Please clarify why the PIF has no targets on core indicators 1 and 2 when there are several protected areas (PAs) in the province and the PIF itself mentions it would be "involving at least 33,660 hectares of terrestrial Protected Areas landscapes, as well as 17,998 ha of MPAs". From the PIF's section 1.5 on global environmental benefits, we understand that impact on PAs from the project is considered as indirect only. However, it is unclear (i) why project impact is considered as more indirect on PAs than outside of PAs, and (ii) why it was chosen not to have a more direct contribution on PA management through this NCAA effort.

(i) ?why project impact is considered as more indirect on PAs than outside of PAs?

**UNEP response 22 March 22:** Please see also our previous response to related PA review comment under 2 - 5 (page 3) of Review Sheet.

The NC accounting can track the change of natural forest, mangrove forest, coral reef and analyse the linkages between ecosystem and drivers/pressures which can provide better management options for PA related to the drivers/pressures coming from outside

PAs. Therefore, we consider our impact as indirect on PAs (none originates from work inside PAs or nor with PA management teams/plans). 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, habitat pollution and aspects of sources, ecological and physical connectivity with surrounding habitats. Also, on other GEF projects, guidance is that in cases of no direct GEF investment/intervention in/with PAs, such benefits are considered indirect and excluded from e.g. GEF Core Indicators.

Whilst the above is the case, our impact to improved management of the NC resources in the areas outside and adjoining PAs is considered ?direct? because this will be achieved through actual action related to budgeting and improved spatial allocation of NC resources, actual improved practices of a number of sectors including fisheries and tourism, based on the socio-economic development planning and its adoption of NC values and targets. The results from NC valuation and accounting, including e.g. development scenario analysis, would be used to support the provincial government to identify the appropriate targets for the SE development plan (i.e. increase in area of protected areas), identification and location of different zoning based on use of spatial data system (i.e. strict protection zone, buffer zone, development zone), etc. It will also be used for designing government development projects which can minimize the impacts to the landscape area. Provincial work with corporate entities would involve improved sector planning and business sustainability plans/NC Protocols targeting 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 (this is clarified in the PIF at page 30).

ii) ?why it was chosen not to have a more direct contribution on PA management through this NCAA effort.

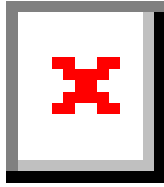
**UNEP response 22 March 22:** Please see our previous response and rationale to focus on the NC resources outside PAs provided under 2 - 5 at page 3 of Response Sheet.

3- The PIF has no target on core indicator 5 when the project is supposed to involve marine areas ("as well as a total of 1,440 hectares marine and coastal habitats in Quang Ninh Province"). Please revise and confirm that all hectares reported under core indicator 4 are indeed terrestrial.

**UNEP response 22 March 22:** we now understand we can put the total of 910 ha marine/nearshore habitats (previously 1,440 ha) under ?Improved seascape/landscape management under Core Indicator 5; and as such have made corrections in CI 5 as well as CI 4 in PIF Table B, Section F and Annex B, and Sections 1.3, 1.4 and 1.5

4- GHG accounting: Thank you for aiming at capturing climate mitigation co-benefits. However:

4a- Please refer to guidance on core indicators, GHG accounting should be over a period of 20 years:



**UNEP response 22 March 22:** we have redone the calculations with EX-ACT tool for a period of 20 years. See e.g. Section F and Annex B. The EX-ACXT calculation Excel has been uploaded with the re-submission.

4b- Please also clarify the methodology and assumptions used under table F. If, as suggested by the guidelines, FAO's EX-ACT tool was used, please attach the corresponding spreadsheet.

**UNEP response 22 March 22:** done - uploaded the original EX-ACT spreadsheets - including for 'avoided' and 'sequestration'. The assumptions and parameters are stated in these sheets.

5- Please clarify under table F how the target for core indicator 11 was set (short description of methodology / main assumptions).

**UNEP response 22 March 22:** clarification was added, as well as a reduced more feasible target set . Please see footnote with detailed figures in Annex B

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#### Project/Program taxonomy

**7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 - Please revise the climate Rio Markers as there are at least anticipated mitigation benefits.

Agency Response

**UNEP response 22 March 22:** Done. Please see Section G at page 6 of the PIF (and on the Portal)

## Part II ? Project Justification

### 1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 - This section needs to be revised and streamlined. It is very long and repetitive while failing to present clearly the specific global environmental problems to be addressed by the project. Specifically:

1-Please remove repetitions and remove most, if not all, of subsections "*Policy, programming and institutional arrangements related to natural capital valuation and accounting*" and "*Policy and governance towards a Sustainable Blue Economy in Viet Nam*" to integrate them into the baseline, since they present the national baseline for NCA and blue economy development.

2- Please be more precise on the specific root causes and threats the project intends to address and tease apart in a more rigorous manner root causes from threats. The current elaboration mixes root causes (e.g. economic development), threats (unsustainable fishing and mariculture) and impacts (e.g. degradation of ecosystems), listing environmental issues in an almost exhaustive manner without conveying what the project will specifically address. For instance, we understand that one of the main root causes the project is trying to address is probably inadequate development planning, but this is not clearly reflected.

3- Please refine the barrier analysis.

3a- Please notably remove the overlaps among barriers (Capacity building is mentioned in the second barrier related to practical experience, when capacity is supposed to be the first barrier. Likewise, lack of understanding of NCA is in the first two barriers, when barrier 3 is "limited awareness of NCA").

3b- Please also consider analyzing separately institutional barriers (for NCA development on one hand, and for integrating NC into planning and operation on the other hand) from barriers related to weak capacities (both for NCA and for integration in planning and operations).

3c - Finally please consider adding the lack/inadequacy of data, and the lack of incentive mechanism and budget for scaling up NCA in Vietnam to the barriers to be addressed. Both are mentioned in passing but appear as important barriers the project would need to address to achieve its goals.



## Agency Response

JS 1/20/2022 - This section needs to be revised and streamlined. It is very long and repetitive while failing to present clearly the specific global environmental problems to be addressed by the project. Specifically:

1-Please remove repetitions and remove most, if not all, of subsections "*Policy, programming and institutional arrangements related to natural capital valuation and accounting*" and "*Policy and governance towards a Sustainable Blue Economy in Viet Nam*" to integrate them into the baseline, since they present the national baseline for NCA and blue economy development.

**UNEP response 22 March 22:** Done. We have rewritten and reorganised section 1.1, as well as removed repetition in contents by moving some of its contents to section 1.2.

2- Please be more precise on the specific root causes and threats the project intends to address and tease apart in a more rigorous manner root causes from threats. The current elaboration mixes root causes (e.g. economic development), threats (unsustainable fishing and mariculture) and impacts (e.g. degradation of ecosystems), listing environmental issues in an almost exhaustive manner without conveying what the project will specifically address. For instance, we understand that one of the main root causes the project is trying to address is probably inadequate development planning, but this is not clearly reflected.

**UNEP response 22 March 22:** Done, revised. Please see Page 9 to 12 of the PIF

3- Please refine the barrier analysis.

3a- Please notably remove the overlaps among barriers (Capacity building is mentioned in the second barrier related to practical experience, when capacity is supposed to be the first barrier. Likewise, lack of understanding of NCA is in the first two barriers, when barrier 3 is "limited awareness of NCA").

3b- Please also consider analyzing separately institutional barriers (for NCA development on one hand, and for integrating NC into planning and operation on the other hand) from barriers related to weak capacities (both for NCA and for integration in planning and operations).

3c - Finally please consider adding the lack/inadequacy of data, and the lack of incentive mechanism and budget for scaling up NCA in Vietnam to the barriers to be addressed. Both are mentioned in passing but appear as important barriers the project would need to address to achieve its goals.

**UNEP response 22 March 22:** Much of the original three barriers has been revisited, edited and re-organised; plus we have added a new fourth one on institutional aspects **Ref. 3a** ? The overlap in the second barrier related to capacity building towards establishing and applying new NCA has been removed (Barriers 2 became Barrier3 now).

**Ref. 3b** ? A new Barrier related to Institutional aspects - of both the development as well as application of NCAs has been added as Barrier 2.

**Ref. 3c** - Done. Data framework, KM and incentive aspects have been summarised in Barrier 4.

**2. Is the baseline scenario or any associated baseline projects appropriately described?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 -

1- Please remove what is repetitive of the previous section to focus on the description of the baseline.

2- Please clarify the timeline of the Ministry of Planning and Investment's "*Socio-economic Development Planning for the period 2021-2030*". As it seems the proposed PIF will be too late to influence the planning that will be carried under that project, please clarify to what extent the proposed PIF would still be able to influence planning Quang Ninh Provincial development.

Agency Response

**UNEP response 22 March 22:**

- Sorry for confusion; as the project will support and does target the provincial Socio-Economic Development Plan(ning) for the period 2026-2030
- Please note that Viet Nam, has two types of planning documents, firstly the master planning Strategy for 10 year; in this case for period (2021 -2030) which provides guidance and overall strategy for development; as well as the
- 5-years Plan (2026 ? 20230): which identifies specific sector goals and objectives, and it is a kind of political commitment to monitor provincial development progress. The 5-years plan is more important since it will guide and track the province in reaching reach the development targets identified in the plan. The proposed GEF project will engage with the 5 years planning mechanism and provincial lead partners involved (2026 ? 2030)

**3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/26/2022 - Cleared.

JS 4/8/2022-

A- Please align the project objective stated in the first paragraph with the one shown in table B. The first paragraph still includes the previous formulation of the project objective:

The intervention logic is guided by the 'drivers', 'logical pathways' and 'assumptions' needed to achieve the ultimate objective of Sustainable blue economy opportunities enabled in Viet Nam through integration of natural capital values and protection of coastal ecosystems into sector operations and development planning.

All previous comments are cleared. Thank you for the much improved ToC narrative. During PPG, please further elaborate the ToC and in particular the diagram.

JS 1/20/2022 -

1- Please see comments on table B and address them as necessary in the description of the alternative scenario.

2- Thank you for providing a draft theory of change (ToC). However:

2a- Please streamline the narrative of the ToC, in particular the third *driver* and the description of the *pathways*, which are currently overloaded and difficult to comprehend.

2b- Please revise the diagram so that it illustrates the pathways described in the narrative. It is currently not straightforward to reconcile the two. Pathways 1 and 3 seem to broadly correspond to components 1 and 2, but it not clear for pathway 2.

2c- While some ingredients are already embedded in the PIF, a robust causal pathway for replication and scaling is missing. The PIF rightfully points out that many of the previous NCAA projects in Viet Nam remained isolated initiatives that were not up-scaled or replicated. For a project relying on a demonstration in a particular province, it is essential that a causal pathway with the necessary and sufficient elements leading to replication and/or up-scaling be fully integrated in the ToC. It includes replication in Quang Ninh for ecosystem accounts that will not have been developed within the project, and replication in other provinces. Please revise.

2d - Please include the ToC diagram in the portal entry and/or upload it as a separate file.

#### Agency Response

Agency response 25 April: sorry; now corrected in PIF Table B. Also, we will indeed revisit the ToC (diagram) based on PPG baseline analysis.

**UNEP response 22 March 22:**

- 1- This has been clarified above
- 2- (2a) Drivers and Key pathways have been rewritten and simplified in section 1.3.  
(2b) The revised pathways do fit better with the Project Framework and serve multiple Component outcomes.  
(2c ) Pathway 4 has been rewritten and focusing on the project replication mechanism.  
(2d) We have now done so, as separate file uploaded.

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 -Cleared.

Agency Response

**5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 -

1- Please clarify the increment regarding the enabling environment for NCAA in general, not just NCAA related to marine and coastal environment.

2- Please see comment on core indicators and address as needed here.

Agency Response

**UNEP response 22 March 22**

1. Please see previous response and edits made in Table B and Section 1.3. project description to provide support to all-ecosystems encompassing national NCA framework and partnership, yet its justification to focus on marine and coastal resources with regards the development of new NCA, the national (spatial) data framework as well as of course their application under Comp 2.
2. Response to core indicators has already been included elsewhere.

**6. Are the project?s/program?s indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/26/2022 - Cleared.

JS 4/8/2022- Cleared, pending correction of the target value of the mitigation benefits (see comment on core indicator 6).

JS 1/20/2022 -

- 1- Please see comment on core indicators.
- 2- Please add anticipated climate mitigation co-benefits in this section.

#### Agency Response

Agency response 25 April 2022: see response and edits above

UNEP response 22 March 22: Point 1 - responded to above; and on Point 2 - we have added summary information regarding the climate change mitigation co-benefits in the Section 1.5 of the PIF.

#### 7. Is there potential for innovation, sustainability and scaling up in this project?

#### Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 -

1- Sustainability: Many ingredients fostering sustainability are present in the design (e.g. setting up clear institutional arrangements, working with the mandated government agencies and building coordination mechanisms, working upstream to inform the next provincial development plan) but are not reflected in this section. Please revise. Please also clarify how the trainings and capacity building efforts developed by the project will be institutionalized.

2 - Scaling-up: This section describes a scaling strategy limited to project results dissemination, a community of practice and access to global expertise, which is insufficient. As commented on the ToC, a robust up-scaling/replication strategy needs to be embedded in the PIF design. Please revise.

#### Agency Response

1- Sustainability: Many ingredients fostering sustainability are present in the design (e.g. setting up clear institutional arrangements, working with the mandated government agencies and building coordination mechanisms, working upstream to inform the next provincial development plan) but are not reflected in this section. Please revise. Please also clarify how the trainings and capacity building efforts developed by the project will be institutionalized.

**UNEP response 22 March 22:** We have strengthened the text on this, see section 1.6, page 32 of the PIF

2 - Scaling-up: This section describes a scaling strategy limited to project results dissemination, a community of practice and access to global expertise, which is insufficient. As commented on the ToC, a robust up-scaling/replication sponse

**UNEP response 22 March 22:** text has been strengthened based on the revised Output 3.1.2 as well as the ToC related to its Pathway 4.

#### **Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022 - A map is provided. Please provide coordinates as text in the portal entry.

Agency Response

**UNEP response 22 March 22:** done ; its located at Northeaster coast of Viet Nam from N20°40' to N21°40' and from E106°25' to E108°25'

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#### **Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/8/2022- Cleared.

JS 1/20/2022

1- Please provide a short synthesis of stakeholder engagement to date.

2- The stakeholder analysis is coarse, restricted to broad categories (e.g. the private sector at large) and no stakeholder from the demonstration landscape is identified.

Please refine and identify to the extent possible specific key partners or subcategories.

Please include a more specific analysis of Quang Ninh`s stakeholders.

3- Please provide means of future engagement for the stakeholders identified.

#### Agency Response

##### **UNEP response 22 March 22: ?..**

1- ?short synthesis of stakeholder engagement to date?: ? Done at [page 44 of PIF.

2- ?The stakeholder analysis is coarse, restricted to broad categories (e.g. the private sector at large) and no stakeholder from the demonstration landscape is identified?:  
?Please refine and identify to the extent possible specific key partners or subcategories? & ?Please include a more specific analysis of Quang Ninh's stakeholders?.

? The Stakeholder mapping has been revisited and the table updated, expanded as well as added more detail, especially with regards the provincial and targeted landscape level (government, CSO, corporations) and future roles in the project

3- ?Please provide means of future engagement for the stakeholders identified?:.

? The Stakeholder table has significantly been strengthened in this respect. In general, at provincial level, a provincial technical working group will be established with the participation of various related line Agencies (i.e. environment, agriculture, tourism, business sector, etc.) and including representatives of the corporate partners and CSO active in the landscapes and/or sector. The working group will be tasked to facilitate the coordination process, ensure the agreement among stakeholders)

#### **Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 -Cleared.

#### Agency Response

##### **Private Sector Engagement**

**Is the case made for private sector engagement consistent with the proposed approach?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 - Cleared.

#### Agency Response

##### **Risks to Achieving Project Objectives**

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

JS 4/26/2022 - Cleared.

JS 4/8/2022-

2- Please clarify whether it is envisaged that climate change scenarios will be incorporated into the natural capital assessments that will inform the development of the 2026-2030 socio-economic plan. If it cannot be confirmed at this stage, please make every effort to embed climate resilience throughout the project during PPG, and notably make full use of NCAA's ability to incorporate climate change scenarios to inform development planning.

The rest is cleared.

JS 1/20/2022 -

1- Please address the risk that NCA results are not used to shape the targeted provincial development plan, i.e. that providing more information does not translate into change in practice.

2- Climate risk screening: We note the development "Climate change impact to coastal natural capital and related production systems" in the root causes sections. However, please describe plans for climate change risk assessment and mitigation measures during PPG.

3- The last row mentions an output 2.1.4 when it does not exist in table B. Please correct.

Agency Response

**Agency response 25 April 2022:** Whilst we are not sure how to incorporate CC scenarios into NC assessment and accounting, the proposed ecosystems accounts can provide information on how these changes in ecosystems are driving changes in their ecosystem services, such as carbon sequestration. The role of natural capital (i.e. climate regulation, flood control, soil retention, etc.) for climate resilience will be assessed to inform climate change response policy at provincial level and used as input to inform the development of the 2026-2030 provincial socio-economic plan.



**UNEP response 22 March 22:**

1. 1. the Risk Section at page 33 has been strengthened in this regards. Expanded
2. 2. done in proposed mitigation column
3. 3. Done, please see Page 36 of the PIF

**Coordination**

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

JS 4/26/2022 - Cleared.

JS 4/8/2022-

1 - Please add the following approved GEF-7 projects to the list of projects to seek coordinating with:

-10385, Mainstreaming Natural Capital Values into Planning and Implementation for Sustainable Blue Economic Growth in Indian Coastal Districts, India, UNEP. The project will also use NCAA for integration of natural capital in coastal development planning and sector operations.

-10386, Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscapes, Philippines, UNEP. The project will also use NCAA for integration of natural capital in development planning. It's approach in using NCAA to benefit PA landscape, including PA financing, could be of interest.

Previous comment is cleared.

JS 1/20/2022 - Please clarify the distinction that is made between executing agency (EA) and project owner. In this section, MONRE is designated as EA when it is ISPONRE in the stakeholder section and on the first page of the PIF. Please ensure consistency throughout the PIF.

Agency Response

**Agency response 25 April 2022:** these two projects have been added to the PIF section.

**UNEP response 22 March 22:** MONRE will designate its Institute of Strategy and Policy on Natural Resources and Environment (ISPONRE) to be project owner/EA which will go into contract with UNEP as well as 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 master socio-economic planning 2026 - 2030 at the local level, with participation of DONRE, DPI, DONRE and the private sector. ISPONRE will collaborate with the Institute for Family and Gender Studies to conduct the project gender analysis (and first during the PPG).

**Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 -Cleared.

Agency Response

**Knowledge Management**

**Is the proposed ?knowledge management (KM) approach? in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project?s/program?s overall impact and sustainability?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 -Cleared.

Agency Response

**Environmental and Social Safeguard (ESS)**

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 -Cleared. We note the low-risk assessment for this project and the attached SRIF.

Agency Response

**Part III ? Country Endorsements**

**Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

Secretariat Comment at PIF/Work Program Inclusion

JS 1/20/2022 -Cleared.

Agency Response

**Termsheet, reflow table and agency capacity in NGI Projects**

**Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

Secretariat Comment at PIF/Work Program Inclusion

JS 5/5/2022 - The project is recommended for clearance.

JS 4/29/2022 - Please address the only remaining comment above (co-financing) and resubmit.

JS 4/8/2022- Not at this stage. Please address the few remaining comments above and resubmit.

JS 1/20/2022 - Not at this stage. Please address above comments and resubmit. Please contact jsapijanskas@thegef.org for clarifications.

**ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

Secretariat Comment at PIF/Work Program Inclusion

During PPG, please :

- further identify how the project can improve the enabling environment for NCA in general, beyond the well justified marine and coastal focus of the project, and

- further explore the possibilities for the project to improve management effectiveness of the PAs present in the landscape (as measured by the METT), reporting any corresponding project impact on core indicator 1. Examine the opportunities of adding a target under 4.4 (avoided loss of High Conservation Value Forest). Refine the target on core indicator 6.

- Refine the ToC

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	<b>1/20/2022</b>	
<b>Additional Review (as necessary)</b>	<b>4/8/2022</b>	
<b>Additional Review (as necessary)</b>	<b>4/26/2022</b>	
<b>Additional Review (as necessary)</b>	<b>4/29/2022</b>	
<b>Additional Review (as necessary)</b>	<b>5/5/2022</b>	

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**