

# Fostering Water and Environmental Security in the Ma and Neun/Ca Transboundary River Basins and Related Coastal Areas

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10193

**Countries**

Regional (Viet Nam, Lao PDR)

**Project Name**

Fostering Water and Environmental Security in the Ma and Neun/Ca Transboundary River Basins and Related Coastal Areas

**Agencies**

FAO

**Date received by PM**

12/11/2020

**Review completed by PM**

5/24/2021

**Program Manager**

Steffen Hansen

**Focal Area**

International Waters

**Project Type**

FSP

## PIF ☐

## CEO Endorsement ☐

**Part I ? Project Information****Focal area elements**

**1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?**

**Secretariat Comment at CEO Endorsement Request**

SH (1.19.21):

1. In the portal submission, please make sure the projects expected implementation start and expected completion dates are correctly populated.

SH (5.6.21): cleared.

2. Table A. Indicative Focal/Non-Focal Area Elements: Note that in the PIF submission the IW funding was split between the following sub-objectives: IW3-5, IW 3-6 and IW 3.7. Please re-introducing this split between sub-objectives and as shown in the council approved PIF.

SH (5.6.21): cleared.

**Agency Response**

1. The dates have been amended, as suggested.

2. The split has been done and are presented in the updated table.

**Project description summary**

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Overall yes, however, please answer questions in the "Coordination" review box.

**Agency Response**

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat Comment at CEO Endorsement Request NA

**Agency Response**

**Co-financing**

**4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. Please note that co-financing letters from Vietnam MONRE have not been uploaded to the GEF portal. Please note that co-finance letters should only reference co-financing that will be used within the timeframe of the GEF project. All other co-finance should be captured in the CEO Endorsement baseline project description.

SH (5.6.21): cleared.

2. Please have a second look at the "Investment Mobilized" description. Some of the amounts listed do not correlate with table C amounts listed.

SH (5.6.21): cleared.

#### Agency Response

1. The Cofinance letter from Vietnam was obtained recently and has now been uploaded. Some of the cofinance is not captured in baseline as they are not currently being implemented.
2. The description of investment mobilized has been updated, so that it is in line with the table above.

#### GEF Resource Availability

**5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

This is an ambitious project that will need continued strong support from national level government to reach its objective. The project has undergone thorough consultations with such entities during the PPG phase. Cleared.

#### Agency Response

##### Project Preparation Grant

**6. Is the status and utilization of the PPG reported in Annex C in the document?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes, cleared.

#### Agency Response

##### Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. Please note that GEF core indicator 11 should be populated. As you populate the indicator, please stick with real, direct and quantifiable (countable and verifiable) numbers of beneficiaries and to avoid basin wide larger numbers. This means that direct beneficiaries should be defined narrowly as those that are directly (physically/income) impacted by the project ? so this would usually be participants in pilots such as communities/families living in pilot (watershed mmgt etc.), people living in floodplains (for flood early warning systems), and so on.

SH (5.6.21): cleared.

Agency Response 1. The indicator has been entered, [with estimated 50,000 persons benefiting \(50% women\). This does not include estimate of indirect beneficiaries.](#)

#### **Part II ? Project Justification**

**1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes, the project includes sufficient information. Also, the anticipated scenario building will further underpin a well informed TDA/SAP process. Cleared.

#### Agency Response

**2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.2021):

1. The Associated Baseline Projects section mentions several ongoing/planned interventions along with specific chunks of funding that the project seeks/expects to influence. However, when looking at the co-finance table C not all such amounts are captured. Please explain?

SH (5.6.21): cleared.

2. Please further expand the descriptions in the project baseline section specific to the referenced baseline projects.

SH (5.6.21): cleared.

3. In the appropriate PRODOC section, please include text specific to the current legal, policy and regulatory baselines specific to the two countries. This text can logically build on the PPG consultations with national level stakeholders.

SH (5.6.21): cleared.

**Agency Response** 1. Several of the projects listed for Lao PDR cannot counted as co-finance as projects have already been mapped into other GEF projects and cannot be double counted, as also noted below. Therefore, they are part of the baseline but not in cofinance.

2. We added project goals and a few more details to the description of associated baseline projects.

3. Additional text has been added at the beginning of the baseline situation section on institutional and policy/ legal context for both countries.

**3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

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

SH (1.19.21):

1. Please explain the reasoning behind the substantial reduction in project co-financing between PIF and CEO Endorsement stage? Is this reduction expected to have any negative effects on reaching component 1 outcomes?

SH (5.6.21): not cleared. Please explain if the reduction in co-finance will influence the expected component 1 outcomes?

2. Please note that PMC is above the 5 % limit and with no justification provided. Please either 1) adjust the PMC or 2) provide a justification for the increased PMC amount and in order for GEF to consider the PMC request.

SH (5.6.21): not cleared. In order to comply with GEF policy the GEF PMC contribution should not exceed 5 % of GEF project financing. Please adjust the GEF PMC contribution accordingly.

SH (5.21): Thank you. Cleared.

3. Output 4.1 description: The information provided specific to key outputs such as output 4.1 remain rather weak. E.g. please include information as to what national baselines the Inter-ministerial committees (IMCs) will build on/further enhance?

SH (5.6.21): Cleared.

4. Output 4.3 description: please add more detail to the output description and specify that one of several potential items for discussion at the partnership conference will be attainment of funding (from both national/international funding sources) for not only NAPs implementation, but potentially also the continued operation of the IBCC (secretariat), other relevant and permanent institutional mechanisms established by the project, and the continued functioning of the piloted basin monitoring systems.

SH (5.6.21): Cleared.

5. Please in the PRODOC better explain how the project is securing the necessary links between marine and fresh monitoring systems and that of the relevant regulatory and policy framework?

SH (5.6.21): Cleared.

6. Specific to the aquifer related project activities, please consider inserting a reference to the GEF/FAO project Groundwater Governance ? Global Framework for Action findings.

SH (5.6.21): Cleared.

### Agency Response

1. 1. The difference is due to two projects the Lao government reported during the PIF phase as co-investments. Unfortunately, on forest management in Annamite Mountains could not be counted as it was already mapped into another project. The second project was unfortunately not extended into a second phase as initially expected by the Lao government.
2. 2. The PMC is around 5%.
- 3 - We added to 4.1: ?So far both countries have created inter-ministerial groups to coordinate urgent and critical developments in other areas, such as the Mekong Delta in

Viet Nam. For the target basins inter-ministerial coordination bodies have not yet been created apart from planning processes at the province level.?

4 - Many thanks for this suggestion, which we added to the output description.

5. we have added additional explanation on a Source to Sea approach in the executive summary as well as under *Institutional and land/water governance aspects and barriers*. The project will include a set of indicator on coastal marine ecosystems and liaise with relevant governance committees in Viet Nam. Important to note that there are gaps in existing national legislation that govern the marine environment in Vietnam such as the 2015 Law on Natural Resources and Environment of Seas and Islands which limits its operational boundaries to the coastal zone, excluding the watershed which is required in a S2S approach.

6. This has been noted under Output 5.1.1

**4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes. Cleared.

Agency Response

**5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. In the incremental/additional cost reasoning portal section/PRODOC, please include a table which maps project co-finance against project outputs. Each mapping should include a short description of how the co-finance supports the output.

SH (5.6.21): Cleared.

Agency Response 1. Incremental/additional cost reasoning table has been added, and contribution from cofinance also noted.

**6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**



## Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

A sufficient description has been provided. Cleared.

## Agency Response

**7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

## Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. A short analysis should be added specific to the ongoing COVID situation and its projected impacts on project sustainability and ability to scale up results. E.g. what opportunities and constraints, short, medium and long term does the project foresee? Please also consider being more specific as to how COVID considerations will feature in the TDAs/SAPs?

SH (5.6.21): Thank you. Cleared.

## Agency Response

Covid-19 :

Both target countries have made good progress in managing the pandemic at national level so it is anticipated that the series of required national meetings can be implemented as planned in the near future. Transboundary meetings (including regional PMU meetings) can be organized using hybrid national on-site meetings, connected online to ensure bilateral dialogues and discussion. IUCN has teams in each country and will be able to support this coordination. The project implementation will follow the rules and guidelines from the respective health agencies of both countries when operating, including recommended measures, such as wearing masks, social distancing and use of online meetings, when necessary. Staff who are traveling often will be tested regularly. As part of the meeting dialogues, especially at basin level, the programme will insert short and targeted capacity building sessions on Covid-19 pandemic management and health safeguards, as recommended at national level.

At the programmatic level, the development of the TDA and the SAP will include a cross-cutting approach on post-Covid green recovery, identifying and valuing the role that natural ecosystems in the basin have played in ensuring the resilience of communities during the pandemic (e.g. provision of goods for consumption and trade). The TDA and SAP will develop investment solutions to strengthen green recovery and

resilience, to better include Nature-based Solutions as a key approach in local planning. This will encourage all sectors, including agriculture, forestry, energy, infrastructure and water, to use science-based evidence to reduce impacts on biodiversity and integrate the value of nature more effectively in business models and decision-making. Financial mechanisms should provide a return to ecosystems and land owners to ensure the provision of ecosystem services, and to better manage landscapes to achieve both conservation targets and economic opportunities, as well as many other benefits to society.

#### **Project Map and Coordinates**

**Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes. Cleared.

Agency Response

**Child Project**

**If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?**

Secretariat Comment at CEO Endorsement Request

NA

Agency Response

**Stakeholders**

**Does the project include detailed report on stakeholders engaged during the design phase?  
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Overall, a well done and detailed description of the projects engagement of stakeholders has been provided. Please provide a response for the below question:

1. At the time of its project inception workshop, will the project produce a more detailed stakeholder engagement plan with specifics as to the timing of engagement of stakeholders throughout the project?

SH (5.6.21): Cleared.

#### Agency Response

The following text has been added to Stakeholder engagement section of the Prodoc.

During the inception workshop for the full project, the project team will further detail the stakeholder engagement plan. The focus will be on characterizing the composition and role of communities in the basin, particularly the design and creation of the basin groups as proposed under Figure 3, including FPIC processes. As the project moves toward the development of implementation strategies, in component 3, a detailed Environment and Social Management System (ESMS) assessment will be carried out on the proposed pilot activities

#### Gender Equality and Women's Empowerment

**Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes, gender considerations are incorporated into the project and will feature as a key component of the TDA/SAP process. Cleared.

#### Agency Response

##### Private Sector Engagement

**If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

The role of the private sector is very well elaborated. E.g. the project will organize as part of the TDA-SAP process private sector roundtables that will involve mainly hydropower, tourism, forestry, and agriculture stakeholders. Cleared.

Agency Response

**Risks to Achieving Project Objectives**

**Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.2021):

In the project risk section, please consider further incorporating COVID-19 risk elements specific to the availability of technical expertise and capacity and changes in timelines. If deemed more appropriate, please insert such text in the project sustainability section.

- o Change in capacity of other executing entities and the effectiveness of the overall project implementation arrangement;
- o Limited capacity and experience for remote work and online interactions as well as limited remote data and information access and processing capacities that projects will need to strengthen
- o Changes in project implementation timelines;
- o Change in conditions of beneficiaries;

SH (5.6.21): Cleared.

Agency Response

Please see text on Covid as mentioned earlier. In addition, under 7. Innovativeness, sustainability, potential for scaling up and capacity development section, the following text has been added.

Given the impacts of Covid19 pandemic on the ability of executing agencies to operate fully on ground, the project will also have to undertake innovative and adaptive management of the project until COVID19 is under control in both countries. These may include:

1. Innovating in the use of remote work and online interactions as well as use of remote data collection and processing capacities
2. Ensuring appropriate adaptation in project implementation timelines to allow time for local situations to be right for different project activities
3. Ensuring appropriate monitoring of beneficiaries? context and adapting/innovating approaches to best fit the context.

#### **Coordination**

**Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

#### **Secretariat Comment at CEO Endorsement Request**

SH (1.19.21):

1. The institutional arrangement figure and subsequent text does not clearly indicate the level of national execution and subsequent capacity building. Please include such information and indicate sub-contract arrangements. It is pivotal for GEF to support the increase of national capacity in both countries.

SH (5.6.21): Cleared.

2. Please include information in the portal/PRODOC submissions that speaks to IUCN's track record, capacity and competitive advantage as the designated primary executing partner. Further, the PRODOC should include information that clearly states how long term capacity is distilled in national/regional governance entities towards performing future similar functions.

SH (5.6.21): Cleared.

3. Please explain how coordination will be assured across the envisioned National PSC (NPSC) and interministerial committees? It sounds like the National PSC in both Viet Nam and Lao PDR will feature membership of key central and provincial government agencies.

SH (5.6.21): Cleared.

#### Agency Response

1 - Thank you, additional txt has been inserted in section 6

2- Thank you, additional information has been inserted related to IUCN's experience both as a GEF executing agency in the countries and also on thematic experience of relevance to the programme. The selection of IUCN was done by consultation with both Lao and Vietnam governments, taking into consideration their long presence and work in the two countries and the governments. Several discussions were organized by FAO to identify and discuss comparative strengths of different potential lead agencies.

3 ? Thank you, additional explanation has been inserted in section 6

#### **Consistency with National Priorities**

**Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. Please see comment in the "Council comments" review box.

#### Agency Response

##### **Knowledge Management**

**Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes a detailed KM approach has been presented. 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 CEO Endorsement Request

SH (1.19.21):

Yes. Note that the project is assigned a high E&S risk rating and primarily due to the potential indirect adverse impacts as a result of the TA and that extend beyond the project footprint (larger area-of-influence). Subsequently, a draft SESA TOR has been included in order to design appropriate mitigation, management, and monitoring measures (in the form of an Environmental and Social Management Plan).

#### Agency Response

##### **Monitoring and Evaluation**

**Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes a M&E plan and budget has been provided. Cleared.

#### Agency Response

##### **Benefits**

**Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes. However, as the pilots are further defined and implemented the project should better capture and report social economic benefits. Cleared.

Agency Response

**Annexes**

**Are all the required annexes attached and adequately responded to?**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes, however, please address the following comments specific to the annexed project budget:

1. Please note that the International Biodiversity expert; International Hydrology and water management advisor and International Water Governance and Policy engagement advisor should be labelled either as consultants or experts and should not be charged against the PMC budget.

SH (5.6.21): Thank you. Cleared.

2. Note that PMU staff are charged against individual project components. A justification for the increased Project Management cost should be provided for GEF to evaluate its merits. Consequently, in the ToRs for each PMU staff, please incorporate a table containing deliverables and costing of technical support against the individual project outputs.

SH (5.6.21): Thank you. Cleared.

- 3. Computers and office equipment (\$14,800) might be included under PMC which is more appropriate than under component 1 as currently is, unless FAO has justification that computers/equipment are specifically for component 1 activities.

SH (5.6.21): Thank you. Cleared.



SH (5.6.2021): Currently the project budget PMC is set at USD 397,000. Please readjust the PMC to align with the amount stated in the Portal Submission table B: USD 380,952.

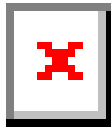
SH (5.21): Thank you. Cleared.

SH (5.6.2021): Can you please explain the substance of FAO support services for audits and spot checks? \$50k seems reasonable enough for audit already.

SH (5.21): Thank you. Cleared.

SH (5.27.21): Please address the following comments and resubmit.

1. IUCN is the lead executing agency for this project as specified in section Institutional arrangements:

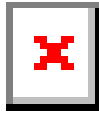


Please revise Project Information section, Other Executing Partners (IUCN) and Executing Partner Type (GEF Agency) accordingly

SH (6.1.21): Thank you. Cleared.



2. Budget table is uploaded in Portal but not cut and paste under Annex E ? please include the budget table in Portal (hint: consider presenting the budget per component instead than per output, so the budget table will be slimmer and will fit within the margins in Portal) .



SH (6.1.21): Thank you. Cleared.

3. Budget table: 1) the PMU office expenditure of \$288,000 should be charged to PMC and not project components 2) unspecified other operational expenses / contingencies are not allowed under PMC covered by GEF ? please charge this portion to the co-financing portion allocated to PMC.

SH (6.1.21): PMU office expenditure has been charged to PMC and a sufficient justification provided for the slight increase in PMC (PMC set at 6.4 %).

4. On co-financing: Co-financing from the Lao Government (Xiengkhuang and Huaphan) provinces has been reported as ?in-kind? and ?investment mobilized?. In-kind typically refers to recurrent operational costs, please revise or provide an explanation.

SH (6.1.21): Thank you. Cleared.

5. Stakeholder Engagement: It is noted that I preliminary stakeholder engagement plan has been provided in the portal section. The project also state that CSOs will be engaged in the TDA to ensure local knowledge is integrated within the process and invited to all SAP workshops to contribute to the strategic action planning. This indicate that they should have checked the box that CSO will be consulted. Please review the last check box in the portal and update accordingly.

SH (6.1.21): Thank you. Cleared.

6. Gender Equality (comment provided by Gabriella): It is noted that the submission includes some level of gender analysis and elaboration of gender mainstreaming activities. It is noted however that these are fairly limited. In addition, the project has indicated that it expects to (i) closing gender gaps in access to and control over natural resources; (ii) improving women's participation and decision making and (iii) Generating socio-economic benefits or services or women. It further states that project?s results framework or logical framework include gender-sensitive indicators. The project results framework, however, does not include any sex disaggregated indicators let alone any gender sensitive indicators. Please review the results framework and provide further details on its expected gender sensitive indicators. In addition, please provide further detail on how it specifically expects to (i) closing gender gaps in access to and control over natural resources; (ii) improving women's participation and decision making and (iii) Generating socio-economic benefits or services or women. It further

states that project's results framework or logical framework include gender-sensitive indicators.

SH (6.1.21): Thank you. Cleared. The RF has been revised to include gender aspects, additional text has been added, and the overall scope of this foundational project in advancing gender equality has been more realistically defined.

## Agency Response

### 1. Responses to comments made on 5.27.21

1. Section 1 in the portal has been updated and IUCN has been listed as the executing agency and "GEF Agency" selected for type

2. Budget in portal annex has been presented as jpg files and main budget has been uploaded in the Document section as Excel sheet

3. PMU office has been charged to PMC. Please note that the other budget item included office running costs such as electricity, internet and only small percentage is contingency. The budget for that has also been reduced overall. Reasons have also been provided for increased PMC costs on the portal.

4. These have been changed to recurrent costs

5. The consultation box has been ticked. The reason it was not ticked was because it says "consulted only", which implies extremely limited role for them. Hence, "others"

has also been retained and their participation explained, which is more than consultation only.

6. The results framework has been strengthened to reflect gender concerns. Please note

that the box in gender (i) closing gender gaps in access to and control over natural resources;

has been unticked. Although through the TDA and SAP

process, this ambition will be made, during the lifetime of this project, which is

primarily a foundational IW project, we think this issue is ambitious for the scope for

this phase of the project. The gender concerns are also now incorporated in the main

text. The changes are highlighted in blue.

1. The budget has been updated and technical staff are no longer charged against PMC.
2. 2. TORs of staff with project management and technical roles has been clarified in the updated TORs
3. Computers and equipment are charged to PMC as advised

#### Response to comments on 5.6.2021

1. The PMC cost has been changed to 380,952. Changes have been made also in budget in the prodoc in the uploaded document.

2. The spot check and audit costs are based on long term agreements with several international audit firms. FAO has developed a tool to calculate these for different locations around the world. This tool has been uploaded in the document section for your information. Please note that in the previous submission, it had been assumed that the location of audits and spot checks would be IUCN's regional office in Thailand.

However, since the main PMU for this project will be located in Hanoi, Vietnam, we have updated the costs, which are higher for Vietnam. In addition, we have also factored in inflation costs and possibility of project extending. The costs are as follows:

	Numbers in lifetime of project	Hanoi, Vietnam costs	Total
Spot checks	6	3571 (Deloitte)	21,426
Audits	6	7000 (Deloitte)	42,000
		Grand total	63,426

#### Project Results Framework

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

The results frame is clear, however, please insert text in the RF that makes it be explicit and clear that the SAPs will be signed by at least one Minister from each country.

SH (5.6.21): Thank you. Cleared.

#### Agency Response

We replaced ?Two SAPs submitted for signature at Minister level? by ?Two SAPs signed by at least one Minister in each country?.

#### GEF Secretariat comments

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Yes, cleared.

#### Agency Response

#### Council comments

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. Building on Germany's council comments, please include in the portal submission/PRODOC specific information regarding coordination with relevant bilateral donors.

SH (5.6.21): Thank you. Cleared.

2. Building Germany's council comments, please include text in the "Alignment with national priorities" section and which speaks to the two countries' commitments towards cooperative water resources management in the Mekong River Basin and beyond (including related ASEAN commitments).

SH (5.6.21): Thank you. Cleared.

### Agency Response

1. The following text has been added under coordination section: In addition to the GEF finance initiatives, the project will ensure strong coordination with other relevant initiatives from regional and global donors and partners during its implementation (including bilateral donors). They will be invited to the inception workshops as well as in all relevant technical workshops and meetings organized by the project at regional, national and basin levels (especially annual stocktaking meetings). The project will also consider organizing special donors meeting, in consultation with both Lao and VietNam governments as part of further financing of SAP priorities.??

Text was added" under Alignment with national priorities" The project will also contribute to the two countries commitments towards cooperative water resources management in the Mekong River Basin and beyond (including related ASEAN commitments). The project will ensure necessary linkages with the UNWC and the opportunities provided by the ASEAN Working Group on Water Management and the MRC to disseminate and upscale results and lessons learned

### STAP comments

### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

1. Please be more clear. E.g. in response to German council comments it is stated that the joint technical committees, 2.4 (IBCC) and 4.1 (interministerial committees) are established on a temporary basis (only for the implementation of the project). However, in response to a similar STAP comment, FAO states that the project document specifies that it is the goal of the project to establish the JTCs (Output 2.1) and the IBCC (Output 2.4) as long-term institutional mechanisms for transboundary water management. The project results framework mentions "new permanent cooperation frameworks submitted for SC clearance". Please provide further clarity in the council and STAP response matrix and in the PRO DOC. Please note that if it is the projects/countries intention for

such mechanisms to operate on a long-term basis, then the sustainability section should include text specific to the financial sustainability of such institutional mechanisms.

SH (5.6.21): Thank you. Cleared.

#### Agency Response

1. The following has been noted under response to Germany's comment, "These bodies are expected to continue beyond project lifetime, and will be further discussed and elaborated during project implementation and included in SAPs in appropriate form."
2. On the issue of sustainability of the different committees, the following has been noted under section on Innovation, sustainability:

"As the project envisages continuation of some of the committees and bodies that have been established to support the project, it is assumed that these will be low cost and will be largely borne by the respective governments. However, the SAP will also call for a financing strategy to support such bilateral work, and these will be discussed with both governments and will be a key issue for the project's exit strategy.

#### **Convention Secretariat comments**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Cleared.

#### Agency Response

#### **Other Agencies comments**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Cleared.

#### Agency Response

#### **CSOs comments**

#### Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Cleared.

Agency Response  
**Status of PPG utilization**

Secretariat Comment at CEO Endorsement Request  
SH (1.19.21):

Yes, cleared.

Agency Response  
**Project maps and coordinates**

Secretariat Comment at CEO Endorsement Request  
SH (1.19.21):

Yes, cleared.

Agency Response  
**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request  
NA

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)**

Secretariat Comment at CEO Endorsement Request NA

Agency Response  
**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)**

Secretariat Comment at CEO Endorsement Request

Agency Response



## GEFSEC DECISION

## RECOMMENDATION

**Is CEO endorsement recommended? (applies only to projects and child projects)**

Secretariat Comment at CEO Endorsement Request

SH (1.19.21):

Please address comments and resubmit.

SH (5.6.21): Please address comments and resubmit.

SH (5.27.21): Please address comments and resubmit.

SH (6.1.21): PM recommends for CEO endorsement.

### Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>First Review</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

### CEO Recommendation

#### Brief reasoning for CEO Recommendations

This is the first bi-lateral GEF project between Lao PDR and Viet Nam focused on shared rivers of Ma and Neun/Ca. These two transboundary rivers are adjacent, with

similar-sized basins with similar characteristics and water and environmental management challenges. Key challenges include hydropower reservoirs causing significant changes to flows in tributaries of both basins; deforestation and changes to forest cover impacting flows and sediment loads; agricultural expansion; increasing water withdrawals associated with demographic growth and rapid economic development affecting environmental flows; and emergency releases from dams during extreme water events contributing to flooding. Climate change is expected to be one of the biggest drivers of hydrological transformation, affecting rainfall, temperature, evaporation and water quality. Future water scenarios show that flows through the system will tend to increase sharply, especially towards the end of the century. The greatest increase will be in wet season flows, signalling the possibility of major floods severely impacting economic development. Continuing development in the two basins, combined with climate change, is affecting the coastal areas of the South China Sea due to the degradation of surface and shallow marine waters quality, increasing frequency and magnitude of floods and droughts, seawater intrusion in coastal aquifers caused by groundwater over-extraction and sea-level rise. The emerging situation is posing serious threats to water supply for the rapidly expanding coastal populations. and to coastal habitats, such as mangroves, wetlands, fish refugia, and livelihoods (e.g. fisheries).

The project objective is ?To enable Viet Nam and Lao PDR to address freshwater resource management and ecosystem health in the transboundary Ma and the Neun/Ca river basins and coastal zones by creating an enabling environment for transboundary cooperation and action?. Specific Outcomes planned under this project include:

1. Outcome 1: Consensus among countries on key transboundary concerns, including climate change and variability - reached through joint fact-finding - strengthens transboundary cooperation and opens the way to coordinated remedial actions.
2. Outcome 2. Enhanced water security, environmental sustainability and forecasting capabilities in both basins and their coastal areas achieved through the establishment of transboundary cooperation and information exchange frameworks and mechanisms.
3. Outcome 3. Countries resolve to joint actions reinforced by testing on the ground environmentally sound land/water management approaches, policies, practices and technologies, and share results and experiences
4. Outcome 4 The process of reversing of degradation trends in the two basins galvanized as countries commit to sustain joint cooperation mechanisms and to undertake priority reforms and investments.
5. Outcome 5.1 The sustainability of project outcomes enhanced by the reinforcement of capacities of relevant national entities and of the interim transboundary cooperation body established as part of the project.
6. Outcome 5.2 Benefits from the global to the local levels accrue through the sharing and dissemination of Project experiences and lessons learned

Establishing binational coordination mechanisms for the long term effective management of Ma and the Neun/Ca River basins is paramount for their sustainable development, mainly involving the transboundary and conjunctive management of surface and groundwater resources enhancing synergies with biodiversity conservation (e.g. biodiversity corridors), forests and inland fisheries management, and resolving conflicts at the food, energy and environment nexus. The proposed project is highly innovative for the two countries, will adopt the Source to Sea (S2S) approach, link with

ongoing initiatives dealing with sectoral aspects, and directly inform the design, assessment and planning of a range of investments in these sectors. It will represent a basis upon which to build transboundary cooperation, sound river basin management frameworks, strengthen water and environmental security and gender equality.