

GEF-8 REQUEST FOR CEO CHILD ENDORSEMENT/APPROVAL

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General Child Project Information

Child Project Title

Enhancing water security, biodiversity and resilience of livelihoods through integrated water resources management and ecosystem restoration in Viet Nam's Red River basin

Region Viet Nam	GEF Project ID 11131
Country(ies) Viet Nam	Type of Project FSP
GEF Agency(ies) FAO	GEF Agency Project ID
Project Executing Entity(s) Department of Water Resources Management under Ministry of Natural Resources and Environment	Project Executing Type Government
GEF Focal Area (s) Multi Focal Area	Submission Date 6/26/2024
Type of Trust Fund GET	Project Duration (Months) 60
GEF Project Grant: (a) 10,562,377.00	Agency Fee(s) Grant: (b) 950,614.00
PPG Amount: (c) 300,000.00	PPG Agency Fee(s): (d) 27,000.00
Total GEF Financing: (a+b+c+d) 11839991	Total Co-financing 82,050,000.00

Project Sector (CCM Only)

AFOLU

Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	Significant Objective 1	Principal Objective 2	Significant Objective 1

Project Summary

Provide a brief summary description of the project, to offer a snapshot of what is being proposed. The summary should include: (i) what is the problem and issues to be addressed? ii) as a child project under a program, explain how the description fits in the

broader context of the specific program; (iii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. (max. 250 words, approximately 1/2 page)

The project addresses a combination of challenging drivers, including ecosystem degradation, sharply increasing climate variability, unsustainable cultivation practices, and declining water quality. This will be achieved by designing innovative incentive mechanisms with communities in the target areas. The new incentives will align in an integrated approach to livelihood improvements (and poverty alleviation) with Ecosystem Restoration. As ecosystem degradation will be reversed and the state of ecosystems (e.g. wetlands, forests) improves, consequences of increasing climate variability (e.g. floods and droughts) will be mitigated.

The project will establish Ecosystem Restoration practice at scale utilizing improved water management as a driver, entry point and connector to build the cross-sectoral coordination critical to transformative Ecosystem Restoration and functioning ecosystem services flows. The project will establish more healthy and functioning freshwater and terrestrial ecosystems, reduce the risks posed by extreme floods and droughts, and thereby strengthen ecosystem and community resilience to climate change. It will also support Viet Nam's investments in Ecosystem Restoration to achieve its ambitious biodiversity and carbon sequestration goals. The project will use FERM as the platform to report and monitor restoration activities as suggested by the UN Decade, and will fully align with the Integrated Program in terms of spatial analysis and M&E.

The project objective is to apply integrated water resources management (IWRM) and Ecosystem Restoration approaches in the Red River basin to enhance water security, reverse ecosystem degradation, sustain and enhance biodiversity and improve livelihood resilience. This objective will be achieved by implementing three technical components. The first component will improve water security by enhancing the enabling environment for integrated ecosystem restoration by establishing and supporting cross-sectoral platforms and developing a series of tools (e.g. flow-based water accounting supplemented with remotely-sensed data) to support investment decision making and develop,

in a highly participatory process, innovative incentives with local communities in the Lô and the Da River basins. The second component will implement the incentive mechanisms for IWRM and Ecosystem Restoration that stimulate investments, create jobs and secure the livelihoods of local communities. The third component will provide capacity building and knowledge dissemination. A fourth component informs effective project management and child inputs to the global Ecosystem Restoration Integrated Program.

The project is highly aligned with the four Program Framework components. Its core is the co-design of innovative incentive mechanisms, which directly aligns with Program Framework component 1 (*"Enabling conditions created for increased ecosystem restoration through informed, inclusive and coherent policy, planning instruments, incentives and structures"*). The project will further make contributions to Program Framework Component 2 (*"Innovations in ecosystem restoration resulting in transformation impacts that generate global environmental benefits and livelihoods"*) and Program Framework Component 3 (*"Leveraged and Sustainable financing to promote & scale-up ecosystem restoration and global environmental benefits"*).

Child Project Description Overview

Project Objective

Apply integrated water resources management and ecosystem restoration approaches in the Red River basin to enhance water security, reverse ecosystem degradation, sustain and enhance biodiversity and improve livelihood resilience.

Project Components

1. Improving water security by enhancing the enabling environment for integrated ecosystem restoration

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
1,862,200.00	14,150,000.00

Outcome:

1.1 Improved policy, planning, and regulation supporting effective incentive mechanisms to enhance water security and support ecosystem restoration.

1.2 Improved capacities for integrated water resources management and ecosystem restoration in the Red River basin to improve water security.

Outcome Indicators:

- No. of planning directives changed or newly issued in response to this project
- No. of ecosystems/river basins targeted by changes in planning, governance, and policies
- No. of assessments and valuations conducted in support of improved planning

Output:

1.1.1 Comprehensive assessment of ecological health, including minimum environmental flow^[1] requirements, conducted at basin level and potential for restoration identified in a consultative process that is underpinned by high-quality biophysical and socio-economic data (incl. integrated gender perspective).

1.1.2 Assessment of a range of biophysical IWRM related processes connecting, inter alia, land degradation, erosion, landslides, siltation, water pollution, drought, floods and flash floods and socio-economic processes linked to gender equality, livelihoods, agricultural practices, and migration, conducted in target areas.

1.1.3 Review of national policy, regulatory and institutional frameworks (incl. gender analysis) related to restoration and revisions proposed, including the integration of River Basin Management and ecosystem management.

1.1.4 Policies and platforms supporting effective, gender sensitive incentive mechanisms to promote ecosystem restoration (including payments for ecosystem services, financial and market instruments) developed and piloted, and policies promoting disincentives revised.

1.2.1 Decision support system (DSS) (incl. gender disaggregated data) for improved decision-making on integrated ecosystem restoration, water allocations for ecosystems, and water resources management, assessing environmental, social, and economic benefits, piloted^[1].

1.2.2 Participatory planning and decision-making process involving multiple tiers of governance implemented in the Red River basin with intersectoral coordination for revised basin planning supporting ecosystem restoration and integrated ecosystem and water resources management.

1.2.3 Water accounting-based bulk (inter-sectoral) water allocations for water users in the Red River basin in support of ecosystem restoration established and piloted in selected areas/basins.

[1] In line with the UN Decade’s multi-criteria model for prioritizing ecosystem restoration and other relevant tools.

[1] According to Viet Nam’s Water Law (2012) minimum flows are defined as “the flow at the lowest level necessary for maintaining a river or river section in order to assure the normal development of aquatic ecosystems and the minimum water level of exploitation and use by different water users”.

2. Designing and implementing incentive mechanisms for integrated water resources management and ecosystem restoration that stimulate investments, create jobs and secure the livelihoods of local communities

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
6,176,707.00	48,000,000.00

Outcome:

2.1 Effective incentive mechanisms for ecosystem restoration and improved water security identified and implemented with robust uptake by local communities in the Red River basin.

2.2 Local stakeholders implemented ecosystem restoration and integrated river basin management supporting viable livelihoods and providing healthy ecosystem services in the Red River basin.

2.3 Established strategy for scaling up integrated water resources management and ecosystem restoration based on effective incentive mechanisms and in line with the UN Decade on Ecosystem Restoration and regional strategies and action plans

Outcome Indicators:

- No. of incentive mechanisms designed and deliberated with Red River basin stakeholders
- Area of landscape targeted by endorsed incentive mechanisms and action plans
- Area of landscape undergoing ecosystem restoration
- Area of landscape under improved management

- Area of landscape targeted in endorsed upscaling strategy

Output:

2.1.1 Assessment of incentive mechanisms for ecosystem restoration conducted based on a range of relevant SDG indicators and indicators developed under the UN Decade (incl. gender equality).

2.1.2 Incentive mechanisms for ecosystem restoration and environmental flows designed in a participatory process (sustainable financial and market instruments, incl. gender mainstreaming).

2.1.3 Incentive mechanisms combined with supporting infrastructure and non-infrastructure solutions piloted, behavioural responses and environmental outcomes monitored, and adjustments made where needed (incl. gender-sensitive inclusion of ethnic minorities).

2.2.1 Action plans for ecosystem restoration and integrated river basin management developed for multiple levels (from commune to inter-provincial/basin) in a participatory process (involving stakeholders from government, ethnic minorities and local communities including women, youth and vulnerable groups, civil society and private sector), covering various ecosystem types.

2.2.2 Adaptive Action Plans implemented, monitored in a participatory, gender-equality advancing process and adjustments made where needed.

2.3.1 Upscaling strategy developed for all areas of the Red River basin, and for other basins in Viet Nam.

2.3.2 Contributions made and documented under the National Plan on Water Resources, the National Plan on Environmental Protection, the National Master Plan on Biodiversity Reservation, and the National Plan on GHG emission reduction (incl. advancing gender mainstreaming).

3. Enhancing capacities and knowledge dissemination

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
956,500.00	8,000,000.00

Outcome:

3.1 Effective knowledge and policy dialogue on integrated water resources management, ecosystem restoration, and water security in Red River basin

3.2. Capacity and awareness enhanced across all agencies and stakeholders relevant for water security ecosystem restoration in the Red River basin, and other basins of Viet Nam

Outcome Indicators:

- No of stakeholders (women and men) participating in knowledge and policy dialogue
- No. of stakeholders (women and men) trained in seminars
- No. of stakeholders (women and men) reached by awareness raising campaign
- No. of audio-visual training modules provided (in Vietnamese and in English)

Output:

3.1.1 Participatory process and platform initiated and maintained for the province and local level stakeholders to deliberate lessons learned

3.2.1 Curriculum, audio-visual teaching modules and seminar program (gender-inclusive educational content) provided to relevant stakeholders targeting improved ecosystem restoration, incentive mechanisms, integrated river basin management, and water accounting

3.2.2 Repository of tools and data relevant to effective ecosystem management in the Red River basin

3.2.3 Gender responsive knowledge management, communications and awareness strategy developed and implemented (highlighting gender dimension), building on the momentum of the UN Decade

3.2.4 A community of practice (gender-inclusive) of trained restoration practitioners to scale up restoration

4. Monitoring and evaluation

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
801,600.00	8,400,000.00

Outcome:

4.1 Enhanced capacities for monitoring water security and ecosystem restoration in the Red River basin.

4.2 Project monitoring & evaluation

Output:

4.1.1 Monitoring systems developed and implemented at national and local levels (e.g. National Parks) to measure the success of restoration interventions, including water, soil, air quality, and gender-related results.

4.2.1 Project M&E is conducted regularly (incl. gender-related indicators)

4.2.2 Coordination with GCP

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing (\$)	Co-financing (\$)
262,400.00	

Outcome:

Output:

Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
1. Improving water security by enhancing the enabling environment for integrated ecosystem restoration	1,862,200.00	14,150,000.00
2. Designing and implementing incentive mechanisms for integrated water resources management and ecosystem restoration that stimulate investments, create jobs and secure the livelihoods of local communities	6,176,707.00	48,000,000.00
3. Enhancing capacities and knowledge dissemination	956,500.00	8,000,000.00
4. Monitoring and evaluation	801,600.00	8,400,000.00
M&E	262,400.00	
Subtotal	10,059,407.00	78,550,000.00
Project Management Cost	502,970.00	3,500,000.00
Total Project Cost (\$)	10,562,377.00	82,050,000.00

Please provide Justification

The project budget includes costs for PMU operation, procurement services, monitoring and evaluation, quality assurance and control, the project closure.

CHILD PROJECT OUTLINE

A. PROJECT RATIONALE

Describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Since this is a child project under a program, please include an explanation of how the context fits within the specific program agenda. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

Current situation

Overview: The Red River is Vietnam's second largest river (after the Mekong River) and originates from Yunnan province in China (see Figure 1). The basin covers a total area of about 169,020 km² of which 51.3% is located in Vietnam, 0.7% in Laos and 48% in China. The total amount of water in the Red River basin is about 127.33 billion m³, of which 48.59 billion m³ (accounting for 38%) are transboundary flows into Vietnam and about 78.74 billion m³ is generated within Vietnam's territory. Rainfall in the basin is unevenly distributed over time and space with the rainy season accounting for about 80% of the annual rainfall. The average annual rainfall is 1800 mm, the largest annual rainfall in the period 2016-2021 reaches 4,756mm (at Bac Quang station), the smallest reaches 1,203mm (at Bao Lac station). The main river is roughly 1149 km long, and about 510 km of its length is within Vietnamese territory. The Red River basin is characterized by rough topography, with about 47% of its land being over 1000 meters. The entire basin is divided into 5 sub-basins: the Lô-Gâm river basin, the Thao river basin, the Đà river basin, the Cau - Thuong river basin and the Red River Delta basin, stretching over 25 provinces with a total population number of 33,659,047 people (based on the 2020 census).

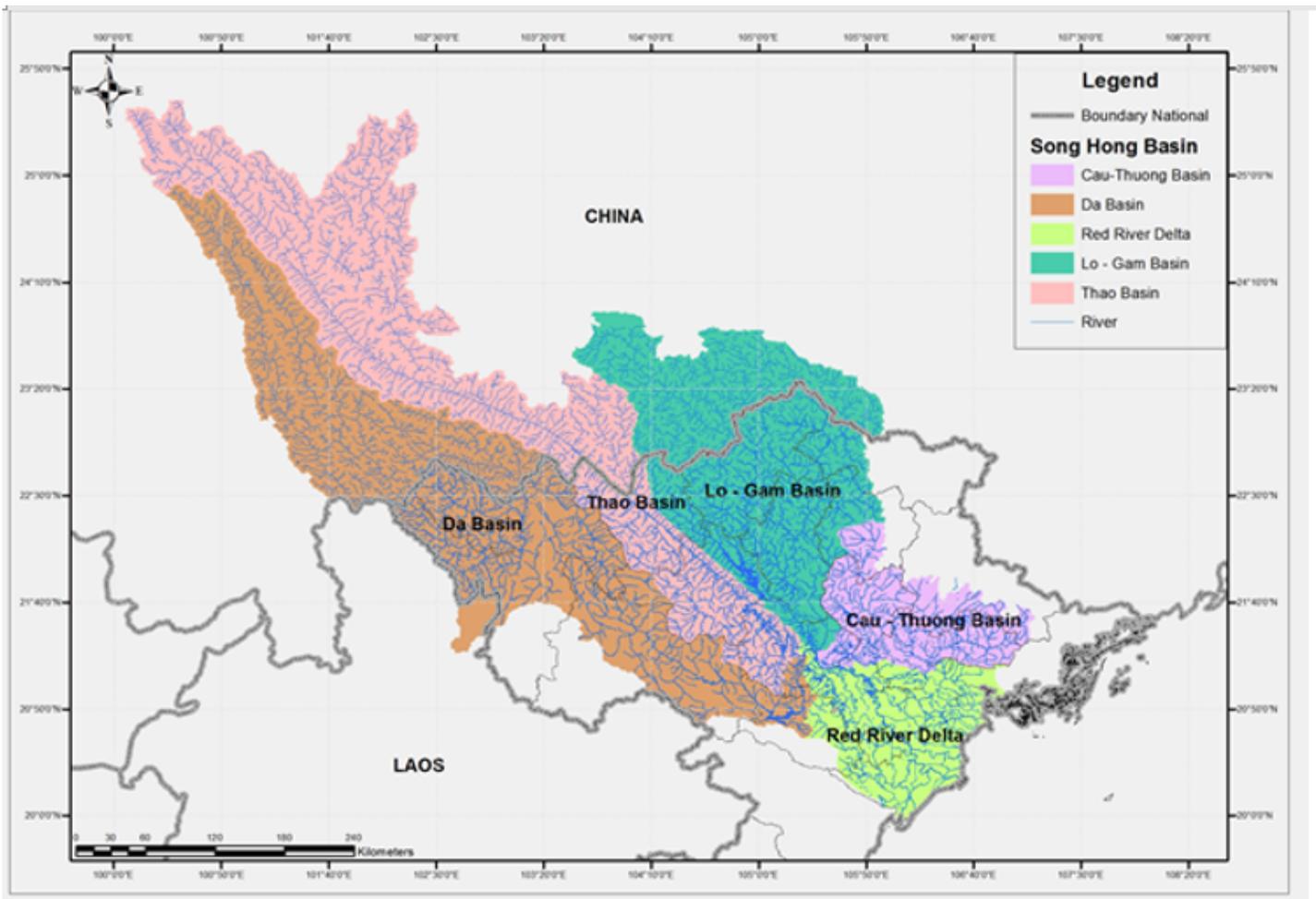


Figure 1: Viet Nam's Red River basin and its sub-basins (Source: Hung.N.Q)⁵

Irrigation and flood prevention: The Red River basin has a total of 263 irrigation and hydropower reservoirs, including a large multi-purpose reservoir system serving for electricity generation, flood control, and water supply for daily life. In the dry season, large reservoirs in the watershed operate to ensure the supply of water for domestic, industrial use, and regulation of water release to support agricultural production. The irrigation reservoir system plays a crucial role throughout the watershed, and irrigation systems rely heavily on the operation of these reservoirs, drawing surface water from rivers. Before and after the Lunar New Year, these reservoirs release water, with a total capacity ranging from 4 to 6 billion cubic meters, to serve various irrigation infrastructure

systems such as pump stations and major drainage channels. The basin also has nearly 200 dyke systems with a total length of more than 3,500 km with an average height ranging from 6 to 8m, making it the largest river dyke system in Vietnam. The system targets the prevention and control of floods in Hanoi with a recurrence time of 500 years.

Flood and droughts: The combination of climatic and anthropogenic drivers increases Viet Nam's climate change vulnerabilities (Son et al., 2023). According to the INFORM Risk Index Viet Nam faces the world's highest exposure to flooding. The study estimates that around 33% of the national population is vulnerable to flooding at a return level of 1-in-25 years. This will increase to 38% under RCP2.6 and 46% under RC8.5 by 2100. Climate change will increase the annually affected population by 433,000 people, and the impact on GDP by \$3.6 billion by 2030 under the RCP8.5 emissions pathway. Particularly high exposure is noted for Northern Viet Nam, including the Red River basin.

Drought exposure is slightly lower but still significant as highlighted by the severe drought of 2015–2017. Droughts are regularly accompanied by heat waves. The INFORM Study highlights that Hanoi is among the urban areas most threatened by deadly heat, globally. A study of the Red River basin indicated that the Red River has a moderate level of water security and is increasingly facing drought. Further upstream from Hanoi in the middle basin where this project will focus on, the frequency and magnitude of flash floods continue to increase. In May 2022, 317 houses were damaged along with 19,000 hectares of crops.

With a recurrence interval of around 125 years, the historic flood event that occurred last in August 1971 and was a combination of the biggest flood on the Lô River and the Thao River, and a moderate flood on the Đà River. Changing rainfall patterns have ramped up flood risks, particularly over the past 15 years.

- In 2008 intense rains triggered flash floods in various areas of the Red River Delta, particularly in low-lying regions and areas prone to waterlogging. The floods resulted in property damage, disruptions to transportation networks, and temporary displacement of communities, which combined led to an estimated economic damage of several hundred million US dollars.
- In 2010, torrential rains and overflowing rivers led to localized flooding in parts of the Red River Delta, affecting agricultural lands, homes, and roads.
- In 2017, heavy rainfall associated with tropical storms and monsoon conditions caused flash floods in several provinces of the Red River Delta. The floods resulted in landslides, infrastructure damage, and loss of lives and livelihoods in affected communities.
- In 2019, persistent rainfall led to flooding in multiple provinces across the Red River Delta with flash floods occurring in some areas.
- In 2020, the Red River basin experienced another significant flood event, exacerbated by heavy rainfall and typhoon activity in the region. The flood affected thousands of households and submerged agricultural lands, resulting in substantial economic damages. While climate change, increasing climate variability, and extreme weather events are driving flood risks, ecosystem degradation exacerbates this development.

Ecosystems: The northern midland and upland provinces, which cover the Red River Basin, have a total degraded land of 4.4 million hectares, consisting of 1.4 hectares of agricultural land and 1.8 hectares of forest land (DLGID, 2020). According to Global Forest Watch (see Figure 4 in Annex B for more details), provinces in the Red River basin lost a total of 320,000 hectares of tree cover between 2001 to 2021 (see below for details on carbon sinks).

An ecosystem services valuation in the Red River Basin was undertaken by ADB in 2013.^[2] It concluded that the provisioning service values (such as from irrigated farmlands, perennial crops, and aquaculture) were by far the highest range of ecosystem service values in the basin, and estimated at over USD 8.3 billion annually. The watershed functions were estimated at over USD 325 million annually based on calculations in relation to hydropower; and are deemed to be even higher if other socio-economic and environmental benefits are considered. Other significant ecosystem service values identified by the study include biodiversity values, carbon sequestration, and flood risk mitigation.

Increasingly extreme drought-flood cycles, combined with anthropogenic pressures such as unsustainable land use and deforestation, continue to drive erosion processes, which also cause the siltation of riverbeds and wetlands (see for more detail

Annex B). This also affects biodiversity rich Ramsar wetlands, such as Ba Be Lake and Van Long Lake. As wetland siltation increases flood retention potential declines, which defines a vicious cycle with detrimental consequences for flood and drought risks as well as for biodiversity.

In addition to increasingly destructive flood and drought cycles, the Red River basin is also lacking operational Integrated Water Resource Management (IWRM) approaches for the basin, long-term strategies to address worsening water scarcity, effective enforcement of water policies or regulations, and systematic monitoring of water quantity and quality. Water flows are critical for the health of ecosystems and the provision of ecosystem services. Key drivers of water scarcity that have been identified for Viet Nam are (i) seasonal scarcity, (ii) drought, (iii) over-utilization and competition, (iv) pollution and salinity intrusion. In particular, there is pressure on water resources and the environment from rapid urbanization and increasing populations. Water demand is expected to increase. Additionally, water quality is being degraded due to wastewater pollution from domestic, industry, craft villages and agriculture. Salinity intrusion and climate change, as well as upstream development (such as dam construction and water withdrawal) also contribute to reduced water quality and availability.^{[B]3}

Ecosystem degradation is also affecting core global carbon sink values. From 2001 to 2021, provinces in the Red River basin lost a total of over 320,000 hectares of tree cover due to population growth driving encroachment, slash-and-burn agriculture, and increasing demand for wood and pulp/paper. Considering an average annual carbon sequestration rate of 9.1-18.8 tC/ha/year^{[4]4} the forest loss since 2000 converts to around 4.5 million t of CO_{2e} annually. The majority of forest losses in the Red River basin occurred in the provinces Tuyên Quang, Thái Nguyên, Yên Bái, and Bắc Kạn (as further detailed in Annex B).

Project rationale: The project will focus on areas in the Lô and the Da River sub-basins that experienced the highest level of land degradation while having high levels of annual precipitation (see Annex B for details). While these areas have the highest potential to curb sharply increasing flood and drought risks in the Red River basin, they also harbor some of the highest biodiversity values (see also Annex B and Annex P) of the Red River basin.

Additional analysis of priority areas for ecosystem restoration within these target areas have been conducted during the PPG phase through internal desk review, multi-stakeholder consultations with provincial departments of Agriculture and Rural Development (DARD) and Natural Resources and Environment (DONRE), focus group discussions with local leaders and farmers for needs assessment and situation analysis at the ground level, and multi-criteria assessments.

The prioritization included criteria such as global environmental benefits, cost-effectiveness, contribution to global targets, food and water security, flood and drought mitigation, and livelihood benefits. As a consequence the project will focus on the Hoang Lien Son National Park (41,000 hectares) of Lai Chau province and the Muong Nhe Nature Reserves (310,000 hectares) of Son La province along the Da sub-basin; the Du Gia National Park (15,000 hectares) and Quan Ba Species and Habitat Protection Area (16,600 hectares) of Ha Giang province and the Na Hang Nature Reserves (210,000 hectares) of Tuyen Quang province along the Lo sub-basin; and Xuan Son National Park (9,000 hectares) of Phu Tho province at the downstream where the Da, Thao and Lo Rivers meet.

Role of stakeholders in the system: The proposed set of activities (see Annex E) will support a range of government and private investments in water infrastructure. The approach is to design nature-based solutions that are sustainably rooted in innovative incentive mechanisms, which will concurrently create benefits for livelihoods and ecosystems, and implement these NbS consistently with infrastructure investments (see Annex B.iv for targeted baseline projects).

The project will foster partnerships, share resources, and leverage expertise between key stakeholders: government agencies, local communities and ethnic minorities, private sector entities, NGOs, and academic institutions. Government Agencies and Authorities at the national, provincial, and local levels are responsible for formulating and implementing policies, regulations, and action plans related to water management, land use, forestry, and environmental protection. Ethnic minorities and local Communities have traditional knowledge and practices for sustainable resource management. Their involvement is crucial for implementing community-based initiatives and empowering them through capacity-building, participatory decision-making processes, and providing incentives for conservation efforts can enhance their role in biodiversity conservation and climate resilience. The project will carry out FPIC process to consult and gain the consent of ethnic minorities on their involvement in the project implementation either as beneficiary or affected groups. Private Sector entities (e.g. agricultural firms, logging companies, and hydropower developers) have significant impacts on land use and natural resource management in the Red River basin. Involving them in the design of NbS can encourage sustainable practices among these entities, such as adopting agroforestry methods, implementing

responsible logging techniques, and mitigating the environmental impact of hydropower projects, which can contribute to carbon sequestration, land restoration, and biodiversity conservation. NGOs and CSOs play a vital role in raising awareness, conducting research, and implementing on-the-ground projects related to environmental conservation and climate change adaptation. Academic and research institutions contribute to understanding the ecological dynamics and socio-economic factors influencing the Red River basin. They can inform evidence-based decision-making, develop innovative solutions, and support capacity-building efforts for stakeholders involved in conservation and adaptation activities.

Future Narratives

Without the proposed investment water security is very likely to decline further as climate change driven variability will increase the magnitude and frequency of extreme weather events. Investments over the past three decades have largely focused on hard infrastructure, targeting the mitigation of major floods in downstream Hanoi while the risk of localized flash floods throughout the basins continued to increase. Concurrently, ecosystem degradation has continued despite several regulatory attempts.

A likely future could witness deforestation to continue, driving erosion and subsequent siltation of wetlands, which, facing increasing extreme events, will lead to declining water retention and increasing flood risks. As increasingly larger areas will thereby experience flood related destruction, households are likely to move to less flood-prone areas, which are likely to be found further upstream, which will further fuel the cycle of ecosystem degradation and increasing flood risks.

Another future scenario could see a substantial increase in water shortages. Current trends confirm increasingly dry climatic conditions during the dry season and growing water demand. Continued ecosystem degradation would also exacerbate water scarcity as water retention in wetlands would decline. Furthermore, riverbed alterations lower water levels. This development would see water-related conflict between water users increase, particularly between hydropower operators, agricultural, transportation, and other needs (e.g. water requirements for saltwater intrusion prevention, ecological environment, and aquatic ecosystems).

In a third future, water quality (see details in Annex B) could continue to decline due to surging amounts of wastewater discharge and unsustainable water resource exploitation. Unsustainable agricultural practices would fuel this problem by releasing excess nitrogen or heavy metals into water bodies, exacerbating hydrological pollution and posing significant challenges for effective control measures.

A very likely future could see all three narratives unfolding in parallel, with floods and drought risks surging while water quality continues to decline. Hard infrastructure measures are not equipped to prevent these future scenarios. Instead, nature-based solutions are required to complement hard infrastructure and, thereby amplify their effectiveness in improving water security in the Red River basin. Critical hereby are bottom-up initiatives that introduce new incentives for households to maintain ecosystems and their services, which is only creating lasting effects if these incentives create benefits for livelihoods and ecosystems. This is the goal of this project.

In summary, climate change and land degradation processes forge jointly mounting flood and drought risks for ecosystems and people's livelihoods in the Red River basin. The system lacks effective incentive mechanisms for integrated ER and IWRM in the Red River basin. Future investments and plans that assume business as usual will accelerate anthropogenic activities, further amplifying climatic drivers instead of offsetting them. Consequently, land degradation and biodiversity loss would likely continue leading to a range of irreversible changes in the Red River basin. As the loss of ecosystems continues, exposure and vulnerability of communities, in particular Hanoi and other large-scale population centres downstream, would face substantial (and likely exponentially increasing) adaptation costs. This project aims to improve water security in the Red River basin by improving water management and by establishing incentive mechanisms to secure significant global environment benefits, restore ecosystems and improve the resilience of social-ecological dynamics in the context of rapidly increasing climate variability.

[1] Note: The boundaries and names shown and the designations used in these maps do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers and boundaries.

[2] <https://gms-eoc.org/uploads/resources/462/attachment/Viet-Nam-Red-River-Basin-SEA-Report.pdf>

[3] FAO Viet Nam Water Scarcity Profile (draft, 2021).

[4] Bernal, B., Murray, L.T. & Pearson, T.R.H. Global carbon dioxide removal rates from forest landscape restoration activities. *Carbon Balance Manage* **13**, 22 (2018) <https://doi.org/10.1186/s13021-018-0110-8>.

B. CHILD PROJECT DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the project as a whole, including how it addresses priorities related to the specific program, and how it will benefit from the coordination platform. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the guidance document. (Approximately 3-5 pages) see guidance here

The overview of associated baseline projects highlights the focus on infrastructure projects. Several small projects have focused on monitoring and management. However, the current approach lacks *integrated* ecosystem management approaches that take a more holistic, interconnected whole-of-basin perspective. No existing or planned initiative is focused on restoring ecosystems to enhance water security, thereby curbing flood and drought risks and protecting biodiversity. The alternative scenario assumes a paradigm shift, which concentrates intervention planning around ecosystem services to protect people's livelihoods as well as biodiversity and climate benefits. This thinking implies managing water to protect and restore ecosystems themselves, e.g. wetlands and forests, as an essential strategy for adapting to increasing climate variability in the long-term.

The proposed alternative scenario sees local stakeholders (including local governments, private sector, ethnic minorities and local communities, women, men and youth) receiving incentives for maintaining, protecting and restoring ecosystems (including river ecosystems, forests/watersheds, agro-ecosystems, wetlands, etc.), which in response will:

- Reduce flood risks for local and downstream communities,
- Reduce drought risks for local and downstream communities,
- Increase climate resilience of communities in target areas and downstream,
- Improve rural livelihoods, and
- Improve globally important biodiversity.

At the core of this new approach are incentive mechanisms that directly reach rural community members and enable a range of ecosystem restoration activities on the ground. Policy and planning will put the supporting institutional framework in place for bottom-up action to unfold and ultimately improve water management and reverse land degradation in the Red River basin while improving livelihoods and biodiversity.

The proposed project will achieve integrated ecosystem restoration by:

- Improving policy and regulation to support effective incentive mechanisms to enhance water security and support ecosystem restoration;
- Establish cross-sectoral platforms, improved capacities and watershed planning for integrated ecosystem restoration in the Red River basin for improved water security;
- Designing and implementing effective incentive mechanisms for ecosystem restoration and improved water security with robust uptake by local communities in the Red River basin;
- Enhancing capacities for monitoring and allocating water resources in the Red River basin;
- Facilitating the implementation of ecosystem restoration and integrated river basin management by local stakeholders;
- Supporting viable livelihoods and providing healthy ecosystem services in the Red River basin;
- Facilitating an effective knowledge and multi-sectoral and multi-stakeholder policy dialogue on ecosystem restoration and water security in Red River basin;
- Establishing a strategy for scaling ecosystem restoration and integrated river basin management based on effective incentive mechanisms involving public and private sectors;
- Enhancing capacity and awareness across all agencies and stakeholders relevant for ecosystem restoration and water security in the Red River basin, and other basins of Viet Nam; and
- Enhancing capacities for monitoring ecosystem restoration in the Red River basin.

These activities will avoid further forest loss and reverse 20% of the losses made since 2020 by restoring forest and wetland ecosystems, which will accumulate to 10,687,497 tCO₂ eq (see EX-ACT calculations in Annex O). The upscaling of successful incentive mechanisms will further increase this sequestration [\[1\]\[5\]\[2\]6](#)

Component 1: *Improving water security by enhancing the enabling environment for integrated ecosystem restoration*

The outcomes expected to be achieved by this Component are (a) improved policy coherence, planning processes and regulation supporting effective governance platforms and incentive mechanisms to enhance water security and support ecosystem restoration, and (b) improved capacities for integrated watershed management and ecosystem restoration in the Red River basin for improved water security.

This will be achieved by a combination of connected activities involving the development of a decision support system that will allow relevant agencies to conduct assessments of water allocations for ecosystems, and ecosystem restoration options and related investments. This DSS will build upon baseline decision support tool models for flood control developed for the Red River basin and further improving policy coordination. The DSS will be operated by DWRM and accessible to a range of other stakeholders.

A review of national policy, regulatory and institutional frameworks related to restoration and revisions proposed, including on Integrated River Basin Management and ecosystem management. This activity will support the GCP's diagnostic, aligning with the GCP's diagnostic tool (e.g. identify barriers to ecosystem restoration). This activity will connect to Component 2, which is focused on improving and contributing to a range of national plans (e.g. the National Plan on Water Resources, the National Plan on Environmental Protection, and the National Master Plan on Biodiversity Reservation). Furthermore, the deliberation, development, and piloting of policies supporting effective incentive mechanisms to promote ecosystem restoration (including payments for ecosystem services PES, water allocation, financial and market instruments). These activities include the revision of existing policies that currently provide disincentives. An additional activity involves the comprehensive assessment of ecological health (incl. One Health), including optimal environmental flow requirements, at national and basin levels and potentials for restoration identified in a consultative process that is underpinned by high-quality biophysical and socio-economic data.

Analysis of priority areas for restoration will be conducted through multi-stakeholder consultations and multi-criteria analysis during project preparation and implementation. The prioritization will include criteria such as global environmental benefits (including biodiversity, climate change mitigation and land degradation), water and food security, flood and drought mitigation, habitat and species connectivity, cost-effectiveness, contribution to global targets, and livelihood benefits. The LDN response hierarchy of avoiding, reducing, and reversing land degradation, will be applied. The project will also facilitate a cross-sector, participatory/multi-stakeholder planning and investment decision making process. This process will involve multiple tiers of governance implemented in the Red River basin with intersectoral coordination for revised basin planning supporting ecosystem restoration and integrated ecosystem and water resources management.

Further, this component will establish and pilot water accounting-based bulk/inter-sectoral water allocations for water users in the Red River basin in support of ecosystem restoration (and therefore including allocations to the environment). This will also involve developing the order of priority and principles of water allocation for the needs of the water sector, including the demand for water for ecosystem restoration (e.g. wetlands) in case of increasing water scarcity. Risks of zoonotic disease transmission will also be taken into account when planning the restoration and management interventions, in line with the One Health approach.

Activities under Component 1 will be linked to the GCP, in particular the ecosystem health assessment (1.1.1) and the development of diagnostic tools (1.2.1).

Component 2: *Design and implementation of ecosystem restoration accompanied by incentive mechanisms that stimulate investments, create jobs and secure livelihoods of local communities.*

This Component will identify and implement transformative incentive mechanisms for ecosystem restoration with robust uptake by local communities in the Red River basin. These incentive mechanisms will be piloted in combination with building upon baseline infrastructure, and targeted GEF small infrastructure and non-infrastructure solutions. The pilots will provide results that will stimulate and guide public and private investments in ecosystem restoration (supported by the DSS developed under

Component 1). It will also help implement ecosystem restoration and integrated river basin management by local stakeholders (including local governments, private sector, ethnic minorities and local communities, women, men and youth) to support viable livelihoods and provide healthy ecosystem services in the Red River basin.

These outcomes will be achieved by conducting an assessment of incentive mechanisms for ecosystem restoration based on a range of relevant SDG indicators and indicators developed under the UN Decade on Ecosystem Restoration. This assessment will also contribute to the GCP's diagnostic approach. Based on this, truly transformative incentive mechanisms for ecosystem restoration and environmental flows will be designed in a PMU-facilitated participatory process (e.g. PES, financial and market instruments). The design and selection of incentives will depend on community inputs to ensure incentives match the situation on the ground, which will contribute to the sustainability of these mechanisms beyond the project timeframe. This process may also involve establishment of a funding mechanism for forest environmental services to ensure fairness for the upstream localities of the river basin, and encourage the restoration and protection of watershed forests. Finally, principles and mechanisms for settlement, compensation, and ecosystem restoration at the river basin level may be developed. This component will then implement these incentive mechanisms and monitor subsequent uptake (e.g. behavioural responses). Incentive mechanisms will be adjusted accordingly.

Furthermore, action plans for ecosystem restoration and IWRM will be developed for multiple levels (from commune to basin) in a participatory process (involving stakeholders from government, ethnic minorities and local communities including women, youth and vulnerable groups, civil society and private sector), covering various ecosystem types. In line with the LDN response hierarchy, this will involve measures to avoid, reduce, and reverse land degradation and associated impacts on water resources. This component will then implement and monitor these action plans in a participatory process and adjustments will be made where needed. Restoration options supported by the project may include, among others, riverine and watershed forest restoration and conservation, restoration of lakes, ponds and other water storages, community-based management, sustainable forest management, and sustainable land management. International best practices and principles for ecological restoration will be applied.^[37]

Engagement of the private sector will be key in the implementation of this Component, in particular (i) local MSMEs/cooperatives involved in restoration activities, and (ii) local companies involved in financing mechanisms such as PES, financial and market instruments. The project will ensure that local communities (e.g., in the upstream localities of the river basin) directly benefit from the mechanisms put in place by the project, and will also ensure Free, Prior and Informed Consent (FPIC) for any ethnic minorities living in the project area. The project may also assist in clarifying land and water tenure, where relevant. The project also builds on the experiences of the Forest and Farm Facility (FFF) in Viet Nam to strengthen local cooperatives and market opportunities.

Finally, the project will support nature-based solutions, in line with the NBS Framework for Agricultural Landscapes^[48] and building on previous NBS assessments undertaken by FAO and partners in Viet Nam. NBS measures may include upstream reforestation, bamboo river stabilization, revegetation along rivers and streams, agroforestry/perennial crops, contour planting, wetland restoration through improved water management, among others.

The (piloted) solutions and matching upscaling strategies will directly support three core planning processes: the National Plan on Water Resources, the National Plan on Environmental Protection, and the National Master Plan on Biodiversity Reservation. These contributions will be monitored and documented to further reinforce the upscaling of encouraging solutions (e.g. incentive mechanisms) and strategies (e.g. participatory processes).

Component 3: Capacity building and knowledge dissemination

The outcomes in this Component will entail (a) effective knowledge and policy dialogue on ecosystem restoration and water security in Red River basin, (b) capacity and awareness enhanced across all agencies and stakeholders relevant for ecosystem restoration and water security in the Red River basin, and other basins of Viet Nam.

These outcomes will be achieved by facilitating a participatory process and platform for province and local level stakeholders to deliberate lessons learnt. Further, by developing an upscaling strategy for all areas of the Red River basin, for other basins in Viet Nam, and for other basins across Asia. The upscaling potential will also be discussed with the Global Coordination Project of the Ecosystem Restoration IP to understand how successfully designed and tested ecosystem restoration solutions could be applied

in other countries. This will also involve a synthesis of lessons learnt to contribute towards the GCP's goals. Furthermore, a curriculum, audio-visual teaching modules and seminar program will be developed and made accessible to relevant stakeholders targeting improved ecosystem restoration, incentive mechanisms, integrated river basin management, and water accounting. The Component will also establish a repository of tools and data relevant for effective ecosystem management in the Red River basin. It will also develop and implement a knowledge management, communications and awareness strategy, building on the momentum of the UN Decade.

Component 4: Monitoring and evaluation

This Component is focused on enhancing capacities for monitoring ecosystem restoration and water security in the Red River basin. This outcome will be achieved by developing and implementing an effective monitoring system at national and local levels to measure success of restoration interventions, as well as monitor water flows and water, soil, and air quality that underpin ecosystems and livelihoods in the Red River basin. It will also enhance monitoring of land and water resources in the context of the country's Land Degradation Neutrality (LDN) targets.^[59] Furthermore, this Component will be focused on project-specific monitoring to ensure all outputs will be delivered on time. This involves monitoring and evaluation will be conducted regularly.

A most critical part of this Component will be to maintain effective links to the global IP. This will involve participating in and contributing to a wide range of coordination mechanisms the GCP is establishing (e.g. IP annual meetings, community of practice workshops, regional workshops) with the broader goal to realise synergies between child projects and establish scalable solutions for ecosystem restoration. This component will also contribute to FAO's FERM initiative on establishing a geospatial registry for ecosystem restoration.

Figure 2: Theory of Change

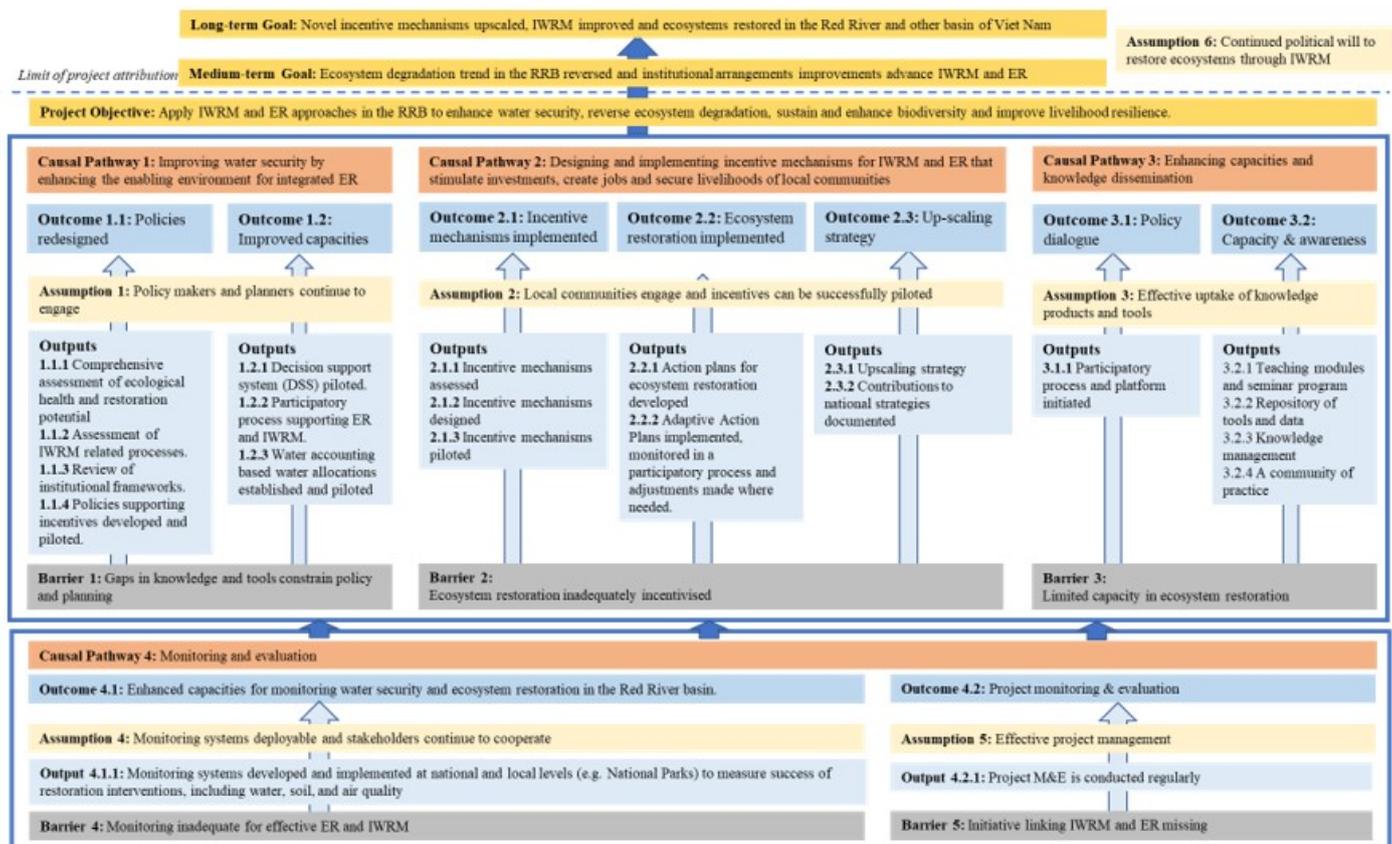


Figure 2 shows that the project's impact is designed along four main pathways matching components 1-4. Component 2 is at the core of the design with a bottom-up design of new scalable incentive mechanisms that will lead to ecosystem restoration. Component 1 will create top-down support for these new incentive mechanisms. Component 3 bundles activities to facilitate a

policy dialogue, knowledge management, and build capacity. Component 4 is allowing for improved monitoring of basin wide outcomes and of project progress.

Causal Pathway 1: *Improving water security by enhancing the enabling environment for integrated ecosystem restoration.*

The first causal pathway combines activities to produce outputs that will improve policies and tools to effectively support solutions developed under pathway 2.

First, through Outputs 1.1.1-1.1.4, the project will review and revise policies and investment programs [\(including gender analysis\)](#) to improve consistency and support ecosystem restoration. This builds on evidence that some existing policies establish incentives that do not promote ecosystem restoration or integrated water resources management (IWRM). Community-level discussions will help identifying these [gender-sensitive](#) counter-incentivising aspects of existing policies. In a second step, once the second causal pathway has designed new incentive mechanisms, necessary amendments to policies will be identified to ensure full support of bottom-up solutions.

Second, by delivering Outputs 1.2.1-1.2.3, government agencies will be endowed with tools for tracking system [\(including gender disaggregated data\)](#) outcomes and for support scenario planning.

In combination, improved institutional arrangements and decision support tools will greatly improve top down conditions for ecosystem restoration and IWRM. These improvements will address Barrier 1 and bridge the gap on knowledge and tools currently constraining policy and planning. A key assumption is that policy makers and planners will continue to engage with this project.

Causal Pathway 2: *Designing and implementing incentive mechanisms for IWRM and ecosystem restoration that stimulate investments, create jobs and secure livelihoods of local communities.*

The second causal pathway is anchored in a bottom-up process and will design and implement innovative incentive mechanisms [\(including gender-sensitive and inclusion of ethnic minorities\)](#) that will have profound impacts on household-level behaviour towards achieving substantial ecosystem restoration improvements. In addition, this pathway will also develop an upscaling strategy to empower government agencies in achieving large-scale ecosystem restoration across the Red River basin and other large basins of Viet Nam.

This pathway will address Barrier 2 and adequately incentivise ecosystem restoration. Underpinning assumption is that local communities will continue to engage and that incentives can be successfully implemented.

Causal Pathway 3: *Enhancing capacities and knowledge dissemination.*

The third causal pathway establishes necessary policy dialogue across levels of governance and between relevant sectors to ensure solutions developed with communities are supported by all relevant parts of Viet Nam's government. In addition to the policy dialogue, capacity building will be implemented and a community of practice established to improve capacity in ecosystem restoration (Barrier 3) and establish support in the long term. The assumption here is that there will be an effective uptake of [gender-inclusive](#) knowledge products and tools among relevant government and non-government stakeholders.

Causal Pathway 4: *Monitoring and evaluation*

The fourth Pathway is the establishment of monitoring systems to understand basin-wide changes which will further enhance ecosystem restoration and IWRM in the Red River. This addresses inadequate monitoring (Barrier 4) and assumes that monitoring systems will be deployable, and stakeholders will continue to cooperate.

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

The baseline projects and investments described in Annex B (iv) lay a solid foundation for flood risk management and addressing water scarcity through enhancing institutional and planning capacities in Viet Nam and in the Red River basin. However, the incremental reasoning at the basis of the proposed project is that the current baseline conditions for water management in the Red River basin are heavily focused on infrastructure investments to control water flow so that flood risks can be mitigated, and exclude integrated ecosystem restoration as part of a basin-wide planning approach that considers ecosystem services and nature-based solutions as part of an integrated water resources management strategy.

The ecosystem-focused increment will lead to substantially improved efficacy for flood and drought management while improving biodiversity values and livelihood (diversification) strategies across the Red River basin. This approach acknowledges the fact that in the Red River basin ecosystems are heavily affected by droughts and floods, which is exacerbated communities adapting to increasing climate variability. Community and household incentives that improve the management of land and water resources to achieve simultaneously livelihood and ecosystem restoration improvements is a critical step to avoid continued ecosystem degradation due to adaptation (and broader development) efforts. This will be achieved by designing incentives with communities that achieve simultaneous livelihood and ecosystem restoration outcomes, as without livelihood improvements solutions will not be owned nor sustainable. Consequently, incentive mechanisms will directly connect ecosystem improvement with livelihood improvements. The project aims to overcome barriers hindering integrated water resources management strategies that trigger a wide range of positive effects (e.g. biodiversity, climate change mitigation). These barriers include a lack of effective incentive mechanisms that restore ecosystems from the bottom up and mitigate flood and drought risks, and a lack of supporting policies and plans for such mechanisms. Furthermore, capacity gaps will be reduced and cross-sector knowledge and policy dialogue will be facilitated as part of a participatory process.

Contribution from co-financing: As described above, the proposed project directly builds on the investment of the ADB-funded Climate Adaptive Integrated Flood Risk Management Project in the Red River Basin. This project will improve institutional and planning capacities for flood risk management, rehabilitate and upgrade dike systems in Red-Thai Binh and Ma rivers, and modernize flood forecasting and early warning systems and thus address vulnerability to flooding. The proposed project will benefit from the institutional mechanisms, stakeholder engagement, and on-the-ground investments of this project. In addition, the project builds on baseline investments by both MoNRE and MARD in restoration of forests, wetlands, and agricultural lands, and biodiversity conservation. It will benefit from the technical work undertaken under the regional Asia Pacific Water Scarcity Programme implemented by FAO. Finally, it is anticipated that the project will leverage at least USD 1 million in private sector co-financing for ecosystem restoration in the Red River Basin through PES and other financial and market mechanisms.

Stakeholder involvement

The project will implement a participatory process with local and province level stakeholders across three scales. Participatory processes will involve a series of workshops involving all stakeholders and then pilot solutions with selected communities and where possible with CSOs/NGOs and the private sector. Genuine participation of women and ethnic minority representatives in these processes will be assured. Policy stakeholders will be engaged to improve the institutions needed to support and sustain the new incentive mechanisms.

The main stakeholders include:

- Farming communities in target Lô and Da sub-basins,
- Province planners (e.g. Provincial Peoples Committee, DoNRE, DARD, WU, etc),
- Central government agencies (e.g. MoNRE, MARD, Ministry of Planning and Investment),
- CSOs and Environmental NGOs, and
- Private sector.

Private sector engagement: Private sector actors will be invited into the participatory process. The proposed alternative scenario dictates that private sector entities can receive financial and other incentives for restoring and maintaining ecosystems, which in response will reduce flood & drought risks for local and downstream communities, improve rural livelihoods, and improve biodiversity.

Local private sector actors will play an important role in the restoration activities implemented by this project, including (i) local MSMEs/cooperatives involved in restoration activities, and (ii) local companies involved in financing mechanisms such as PES, financial and market instruments (e.g. Green Bonds, Biodiversity Offsets, or Habitat Banking). This may involve local water utility companies (such as Song Da water investment joint stock company, Phu Tho Water Supply and Sewerage Joint Stock Company), water sanitation/treatment companies, organizations and individuals providing ecotourism, resort and entertainment services from the forest, etc. DWRM is responsible for managing all water use utilities, offering licenses, and coordinating among them for effective water use in the basin. The proposed project will benefit from existing collaboration with these water utility companies by DWRM. The project will ensure that local communities (e.g., in the upstream localities of the river basin) directly benefit from

the mechanisms put in place by the project, and will also ensure Free, Prior and Informed Consent (FPIC) for any ethnic minorities living in the project area.

Finally, the project also builds on the experiences of the Forest and Farm Facility (FFF) in Viet Nam to strengthen local cooperatives and market opportunities.^[1]

Global environmental benefits

The project will generate global environmental benefits (see examples in following paragraphs and more details in Annex B) for biodiversity conservation, climate change mitigation, and land degradation, and also contribute to the resilience of regional food security and livelihoods, while improving public health and nutrition. This will be achieved through a bottom-up co-design process with communities (Pathway 2 of the TOC) and supported by a top-down process with Government agencies (Pathways 1 of the TOC) providing the necessary institutional changes to enable innovative incentive mechanisms.

The project will restore an estimated 200,000 hectares of degraded ecosystems – mainly forests and wetlands as well as agroecosystems – by introducing a fundamental shift in incentives at the household and community level. Effective incentives will be established that shift the conservation of ecosystems back into the interest of local communities as benefits derived from ecosystems will be directly perceived by households.

Furthermore, the project will result in an estimated 700,000 hectares of landscapes under improved management by placing them under integrated ecosystem and water resources management, by improving land use practices, and improved forest management. The project will also bring an estimated 30,000 hectares of existing protected areas under improved management (e.g., the Ba Bể National Park (10,048 hectares) and the Na Hang Nature Reserve (21,238 hectares)).

The reversal of degradation of forests and wetlands will lead to a mitigation of carbon emission by 10,687,497 tCO₂ eq, see EX-ACT calculation in Annex O for details. This includes the avoided losses of carbon due to wetland desiccation processes.

The restoration of ecosystems by realigning social-ecological system dynamics will also trigger a substantial safeguarding of globally significant biodiversity values, including the critically endangered Delacour's Langur, the critically endangered Tonkin snub-nosed monkey, the functionally extinct Phayre's leaf monkey, and the functionally extinct tiger. Annex P lists all endangered species listed on IUCN's Red List that require the project's target areas as critical habitat. Further, the restoration of ecosystems in the karst landscapes of the Red River basin will contribute to the mitigation of zoonotic risks linked to bat colonies that inhabit these karsts, thereby contributing to a Healthy Planet, Health People. Many bat species are understood to be on a trajectory to extinction and as their habitats are converted into human settlements or agricultural areas zoonotic risks increase exponentially.

The project will generate direct benefits to an estimated 40,000 people, of which 50% women and approximately 25% youth, including ethnic minorities, by enhancing livelihoods and creating jobs, thereby contributing to green recovery. Moreover, it is anticipated that a population of over 3.3 million in the target areas will benefit from subsequent upscaling. Finally, the project will also result in climate change adaptation benefits, in particular drought and flood mitigation.

Innovation, sustainability and potential for scaling up

Innovation: The project will design locally incentive mechanisms to overcome limitations of traditional top-down solutions (e.g. policy and planning) for water and ecosystem management by establishing different solutions that actively involve households and communities in water management through integrated ecosystem restoration. These incentive mechanisms (e.g. PES-type solutions) will complement policy and planning approaches and establish effective integrated ecosystem restoration processes that will substantially improve water retention dynamics in the Red River basin, which will have a range of benefits (e.g. biodiversity, livelihoods) and facilitate climate change adaptation. Policy and planning processes will also be adjusted by removing disincentives and supporting innovative incentive mechanisms.

Sustainability: The project will establish institutional arrangements and develop institutional capacity and cross-sectoral collaboration for a long-term change that integrates ecosystem restoration in basin planning and water management processes for the Red River basin. The institutional and financial sustainability of the project outcomes will be ensured through commitments made by the Vietnamese Government to implement aforementioned incentive changes and revise policy and planning processes.

Potential for scaling up: Aforementioned incentive mechanisms and participatory planning processes will be developed for the Red River with focus on critically important areas in the Lô and Da sub-river basins. From these focus areas, which will be selected

based on their hydrological, ecological and social relevance, successful incentive mechanisms will be scaled up to improve conditions (e.g. restored ecosystems) for the entire Red River basin and for other basins in Viet Nam and beyond. Component 3 will explicitly develop an up-scaling strategy to facilitate this process.

[1] <https://www.fao.org/vietnam/programmes-and-projects/forest-and-farm-facility/es/>

[2] According to Viet Nam's Submission on Reference Levels for REDD+ Results Based Payments under the UNFCCC (2016), the country's Forest Reference Emission Levels (FREL) is 88.2 million tCO₂e/year and the Forest Reference Level (FRL) is -70.9 million tCO₂e/year. https://redd.unfccc.int/files/2016_submission_frel_viet_nam.pdf

[3] Society for Ecological Restoration (SER) 2019. International Principles and Standards for the Practice of Ecological Restoration, 2nd edition. <https://www.ser.org/page/SERStandards/International-Standards-for-the-Practice-of-Ecological-Restoration.htm>

[4] <https://www.frontiersin.org/articles/10.3389/fenvs.2021.678367/full>

[5] <https://www.fao.org/policy-support/tools-and-publications/resources-details/en/c/1269045/>

Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this child project, including framework and mechanisms for coordination, governance, financial management and procurement. This should include consideration for linking with other relevant initiatives at country-level (if a country child project) or regional/global level (for coordination platform child project). If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

The Ministry of Natural Resources and Environment (MoNRE) will be the National Governing Agency. MoNRE will have the overall executing and technical responsibility for the project, with FAO providing technical oversight as GEF Agency. MoNRE will provide strategic guidance and direction to the Project Management Unit (PMU) and be responsible for approving the project implementation plan, and overall procurement plan; conducting supervision missions; and supervising and reviewing the disbursement plan. MoNRE will coordinate all efforts to implement the project's components, aligning with other initiatives and assuring that all deadlines are achieved and that the project's results are discussed throughout all national and local institutions involved.

The Department of Water Resources Management (DWRM) will be assigned as the Project Owner and will be the Lead Execution Agency (EA). DWRM will sign an Operational Partner Agreement (OPA) with FAO to execute the activities as assigned in the project document. DWRM will be responsible and accountable to FAO for the timely and quality implementation of the agreed project results, operational oversight of the project implementation-~~activities~~, timely reporting, and effective use of GEF resources for intended purposes. The implementation of all agreed results and activities in full compliance with the OPA provisions and due diligence with regard to FAO Social and Environmental Quality Standards will be ensured by the OPs.

DWRM will be administratively and technically responsible to FAO for the implementation of the agreed results of the project, monitoring, and financial management in accordance with the rules and procedures as established in the signed OPAs. Such responsibility extends over all funds disbursed by DWRM to any entity under contract with DWRM.

DWRM will be responsible for the overall coordination with the International Union for Conservation of Nature (IUCN) for the entire project implementation to ensure the achievement of the project objectives and the consistency and coherence across the project components, outputs and activities. DWRM will be responsible for monitoring, reviewing and providing technical assurance of the project implementation.

DWRM will coordinate all efforts to implement the project's components, aligning with other initiatives and assuring that all deadlines are achieved in a timely manner and that the project's results are discussed with national and local institutions involved.

Under FAO's oversight as GEF Agency and DWRM's leadership and supervision as the Lead Executing Agency, IUCN will provide technical support and partly execute the project. IUCN will act as the executing agency and will be responsible for the day-to-day management of project results entrusted to it in full compliance with all terms and conditions of the Operational Partnership Agreement (OPA) signed with FAO. As Operational Partner (OP) of the project, IUCN is responsible and accountable to FAO for the

timely implementation of the agreed project results, operational oversight of implementation activities, timely reporting, and for effective use of GEF resources for the intended purposes and in line with FAO and GEF policy requirements.

IUCN will provide technical expertise in the following areas: biodiversity, ecosystem and landscape restoration, hydrology and water management, water governance and policy. IUCN will source this expertise from existing in-country and regional staff.

The Food and Agriculture Organization (FAO) will be the GEF Implementing Agency (IA) for the Project, providing project cycle management and support services as established in the GEF Policy. As the GEF IA, FAO holds overall accountability and responsibility to the GEF for the delivery of the results. In the IA role, FAO will utilize the GEF fees to deploy three different actors within the organization to support the project (see Annex J for details):

- The Budget Holder, which is usually the most decentralized FAO office, will provide oversight of day-to-day project execution;
- The Lead Technical Officer(s), drawn from across FAO will provide oversight/support to the project technical work in coordination with government representatives participating in the Project Steering Committee;
 - The Funding Liaison Officer(s) and the GEF Technical Officers (GTO) within FAO will monitor and support the project cycle to ensure that the project is being designed and carried out in accordance with FAO and GEF minimum fiduciary and technical standards.

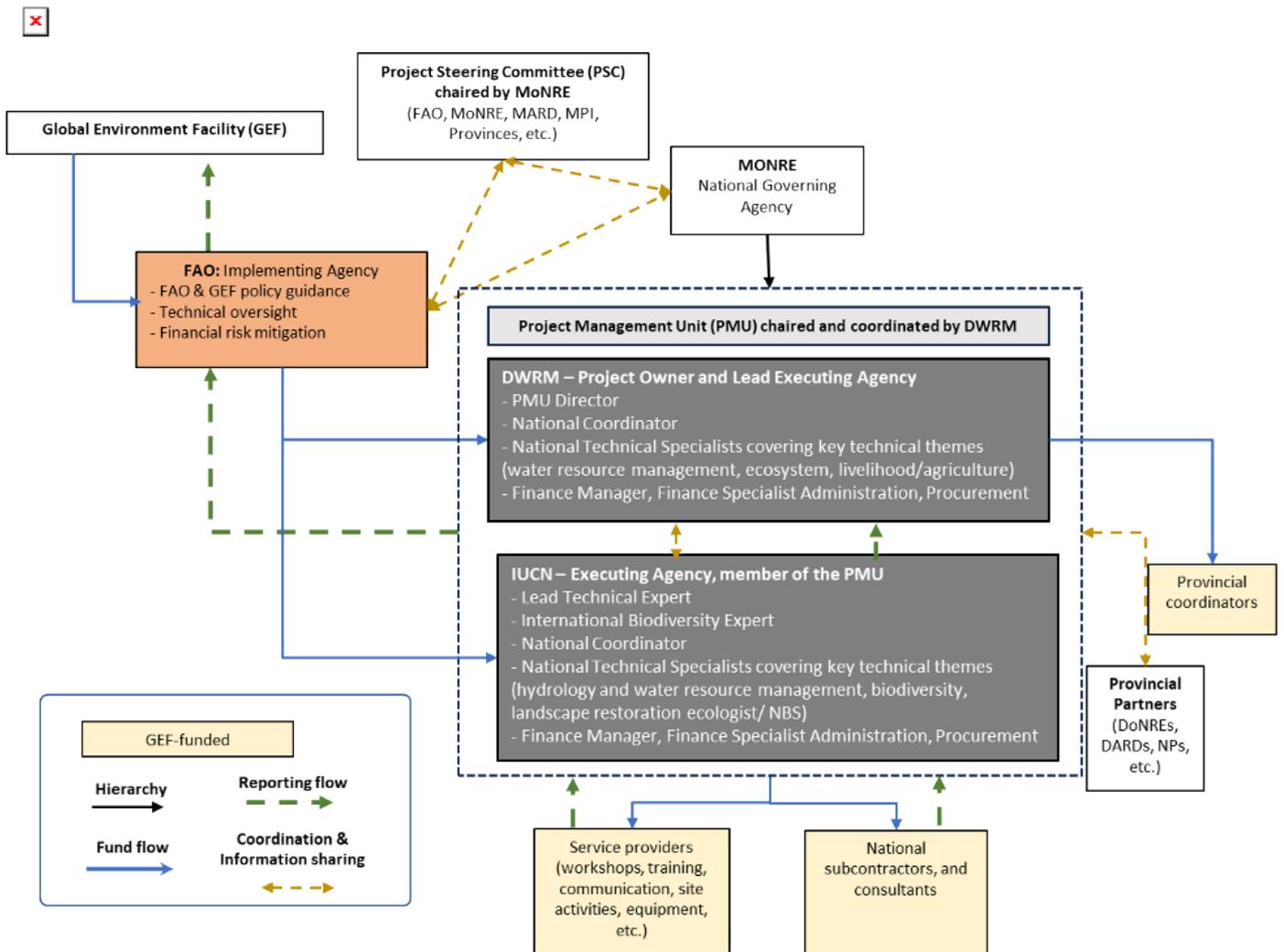
FAO responsibilities, as GEF agency, will include:

- Administer funds from GEF in accordance with the rules and procedures of FAO;
- Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers, Operational Partners Agreement(s) and other rules and procedures of FAO;
- Provide technical guidance to ensure that appropriate technical quality is applied to all activities concerned;
- Conduct at least one supervision mission per year; and
- Report to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, on project progress and provide financial reports to the GEF Trustee.

FAO will be involved in the recruitment and procurement process by reviewing ToRs and technical specifications and issuing no-objection letters.

FAO and the project partners will collaborate with the implementing agencies of other programs and projects to identify opportunities and facilitate synergies with other relevant GEF projects, as well as projects supported by other donors. This collaboration will include (i) informal communications between GEF agencies and other partners in implementing programs and projects; and (ii) exchange of information and outreach materials between projects.

The project organization structure is as follows:



A Project Steering Committee (PSC) will be established and chaired by MONRE. It will be comprised of representatives from FAO, MARD, MPI, MOF and other relevant ministries and leaders of related departments under MONRE. Members of the PSC will be officially nominated by their respective agencies. The PSC will provide strategic guidance to the PMU and to all executing partners. The PSC will facilitate coordination and collaboration with other related projects of ministries to support project implementation. The PSC meetings will be convened on a bi-annual basis to review the project's progress and results and endorse the project's annual work plan and budget.

A Project Management Unit (PMU) will be co-funded by the GEF and established within DWRM. The main functions of the PMU, are to ensure overall efficient management, coordination, implementation and monitoring of the project through the effective implementation of the annual work plans and budgets (AWP/Bs). The PMU will assist DWRM in managing and implementing the project. IUCN as Executing Agency will be member of the PMU and work under DWRM's leadership and coordination. The PMU will work closely with FAO and relevant agencies to ensure project objectives, output and progress. The PMU will be composed of full time and part time specialists, including National Project Coordinator (NPC), Procurement specialist, Accountant, M&E Specialist; a PMU Finance Manager; an Administrative and logistical assistant; and National technical experts on natural resources and environment and agriculture. In addition, the PMU will establish a technical advisory board comprising of renowned experts in relevant fields to support the PMU in reviewing and appraising component outputs and deliverables. The members of the technical advisory experts will be mobilized when needed, on a part-time and ad-hoc basis.

Will the GEF Agency play an execution role on this child project? No

If so, please describe that role here and the justification.

n/a

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

Coordination with ongoing and planned GEF projects

- Central Office for Water Resources Projects (MARD): Climate Adaptive Integrated Flood Risk Management Project. 255 million USD, ADB loan, 2023-2032.
- FAO GEF-7 “Integrated Sustainable Landscape Management in the Mekong Delta of Vietnam” project, a child project of the Food Systems, Land Use and Restoration Impact Program (GEF ID 10245)
- ADB GEF-7 “Financing Agrochemical Reduction and Management (FARM) in Agri-Food Value Chains”, a child project of the Financing Agrochemical Reduction and Management (FARM) program (GEF ID 10872)
- UNDP GEF-7 Sustainable Forest and Forest Land Management in Viet Nam’s Ba River Basin Landscape (GEF ID 10539)
- FAO GEF-7 IW project “Enhancing sustainability of the Transboundary Cambodia - Mekong River Delta Aquifer” (GEF ID 10530)
- FAO GEF-7 IW project “Fostering Water and Environmental Security in the Ma and Neun/Ca Transboundary River Basins and Related Coastal Areas” (GEF ID 10193)
- FAO GEF-8 CHO IP child project “Enhancing water management and compliance to address hypoxia caused by nutrients, and other pollutants, into the Gulf of Tonkin” (GEF ID 11350)

Table On Core Indicators

Core Indicators

Indicate expected results in each relevant indicator using methodologies indicated in the GEF-8 Results Measurement Framework Guidelines. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
31286	31286	0	0

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
31286	31286	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Ba Bê National Park	10364	National Park	10,048.00	5,048.00					
Bat Dai Son Natural Reserve	10188	Strict Nature Reserve		2,000.00					
Na Hau Natural Reserve	303083	Strict Nature Reserve		8,000.00					
Ta Xua Natural Reserve	555594131	Strict Nature Reserve		8,000.00					
Xuon Son National Park	303055	National Park	21,238.00	8,238.00					

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
200000	200000	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Cropland		140,000.00		

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
200,000.00	50,000.00		

Indicator 3.3 Area of natural grass and woodland under restoration

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

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	10,000.00		

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

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

700000	700000	0	0
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Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	500,000.00		

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

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

Type/Name of Third Party Certification

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

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
700,000.00	200,000.00		

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

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

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	6553494	10687497	0	0
Expected metric tons of CO₂e (indirect)	0	0	0	0

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

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)	6,553,494	10,687,497		
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting	2025	2025		
Duration of accounting	20	20		

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

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO₂e (direct)				
Expected metric tons of CO₂e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

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

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

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

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

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	20,000	20,000		
Male	20,000	20,000		
Total	40,000	40,000	0	0

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

- Core indicators 1, 3, and 4 are specified based upon discussions with the government (e.g. MoNRE) and based on data suggesting that this area receives the highest rainfall while experiencing the highest level of deforestation, which makes the ecosystems in this area particularly vulnerable. 30,000 ha defines the area of protected areas the project will focus on with improved incentive schemes to curb encroachment and incentivize improved community management practices. 200,000 ha defines an area in the Da and Lo River basins that are currently degraded. The area was specified based on land cover data (classified as 'barren land' and previously forested). While interventions will be designed with communities, the overall approach will focus on changing incentives for local communities to improve ecosystems, including reforestation and improved wetland management. 700,000 ha defines an area in the Da and Lo River basins that are currently cultivated but under unsustainable practices (e.g. slash and burn, deforestation). Planned interventions will anchor in improved incentive mechanisms that align ecosystem health and livelihood opportunities.

These areas have been identified by the VN government based on data indicating high degradation and unsustainable practices, and in line with the Government's Decree 327.

- Core indicator 6 calculated based upon the FAO- EXACT tool, see Annex O.
- Core indicator 11 estimated based upon the number of households to be directly involved in project design and the piloting of novel incentive schemes and livelihood diversification. We assume 8,000 households with 5 persons per household. The process will ensure gender balance with 20,000 women and girls directly benefiting from this initiative.

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	High	[See Annex Q for an in-depth risk screening.] The project has been proposed due to the high climate change risks for the communities in the basin. The effectiveness of targeted adaptation strategies (incl. incentive mechanisms) is thereby also at risk as climate change projections might misguide the design of solutions. As a risk mitigation strategy the project will make conservative climate assumptions so adaptation strategies will deliver sustainable benefits across a range of climate change scenarios.
Environmental and Social	Moderate	The project is likely to trigger ESS 1 (Biodiversity conservation and the sustainable management of natural resources), ESS2 (Resource efficiency and pollution prevention and management), ESS 4 (Decent work), ESS6 (Gender equality). In case the actual pilot sites will involve ethnic minorities also safeguard 8 (Indigenous Peoples) would apply. It is critical to emphasise that climate change and in particular climate variability in conjunction with anthropogenic (adaptation) strategies induce substantial risks including natural resources, biodiversity, livelihoods, and gender. The project will identify adaptation solutions (e.g. improved NRM, ecosystem restoration) to mitigate these risks. As such, the project itself is the main risk mitigation mechanism. To mitigate risks within the project the process will involve a highly participatory process. All engagement will be based on Free, Prior, and Informed Consent (FPIC).
Political and Governance	Low	The Viet Nam Government has made strong commitments to ecosystem restoration and other themes supported by this project. The project will also be executed by DWRM. Consequently, the political and governance risk will be very low. To further minimise these risks we will conduct a highly participatory process to ensure ownership across all relevant government agencies and tiers.
INNOVATION		
Institutional and Policy	Low	The Viet Nam Government has made strong commitments to ecosystem restoration and other themes supported by this project. The project will also be executed by DWRM. Consequently, the political and governance risk will be very low. To further minimise these risks we will conduct a highly participatory process to ensure ownership across all relevant government

		agencies and tiers. The project focus is unlikely to be affected by macro-economic changes.
Technological	Moderate	The project aims to design adaptation strategies, including incentive mechanisms, and provide a series of tools. While the tools are linked to low risk the design of new solutions bears risk. This will be mitigated by conducting highly participatory processes with the target communities, employing very experienced facilitation teams, and connecting the design of solutions from the beginning across multiple tiers of governance.
Financial and Business Model	Low	The project focus is unlikely to be affected by macro-economic changes. Additionally, Viet Nam's macro-economic development has been very resilient to recent shocks.
EXECUTION		
Capacity	Low	Viet Nam's government agencies have a very high institutional capacity and have experience executing similar projects. The government has also repeatedly shown that solutions provided by climate change adaptation focused initiatives have been adopted.
Fiduciary	Low	The project budget has been discussed in depth and will be sufficient for proposed activities. DWRM and its procurement processes have been HACT/OPIM assessed and resulted in a low risk.
Stakeholder	Moderate	Target stakeholders experience substantial climate variation and related flood and drought damage. Participatory initiatives are therefore highly appreciated by local stakeholders and government agencies. The project will further minimise risks by adopting a highly participatory process to ensure ownership by stakeholders and maintain the focus on developing solutions beneficial to all stakeholders.
Other		
Overall Risk Rating	Moderate	Risks, challenges and opportunities have been considered carefully in project design, with mitigations budgeted per ESMP.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Explain how the proposed interventions are aligned with GEF- 8 programming strategies, including the specific integrated program priorities, and country and regional priorities, Describe how these country strategies and plans relate to the multilateral environmental agreements, such as through NDCs, NBSAPs, etc.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how.

(max. 500 words, approximately 1 page)

The project will restore biodiversity rich ecosystems and improve IWRM, including Ramsar wetlands, such as Ba Be Lake and Van Long Lake (see Annex B and Annex P for details). Project outcomes are fully aligned with the GEF's BD objectives and targets, including "to maintain globally significant biodiversity and the ecosystem goods and services that it provides to society".

The project will restore an estimated 200,000 hectares of degraded ecosystems – forests, wetlands, and agroecosystems – by introducing novel incentives at the household and community level. These incentives will make substantial contribution to biodiversity conservation in the Red River basin and create income and new livelihoods for local communities (in particular women and youth) generated from improved ecosystem services. The exact design will emerge from the participatory design with communities.

Furthermore, the project will bring 700,000 hectares of landscapes under improved management by placing them under integrated ecosystem and water resources management, by improving land use practices and forest management. These improvements will result from aforementioned incentive mechanisms, which will generate income for farmers from ecosystem service improvements. This will mitigate or even eradicate management practices that have negative impacts (e.g. flood risk, erosion, deforestation). The project will also improve management of 30,000 hectares of existing protected areas.

The project will lead to an increase of annual carbon mitigation of 10 million tons, including avoided wetland desiccation. The restoration of ecosystems by realigning social-ecological processes will also safeguard globally significant biodiversity values (see Annex P). The project will generate direct benefits to around 40,000 people (50% women, 25% youth), including ethnic minorities, by enhancing livelihoods and creating jobs. Moreover, subsequent upscaling will benefit over 3.3 million people. Finally, the project will generate climate change adaptation benefits, in particular drought and flood mitigation.

The project is highly aligned with the 4 PFD components. Its core is the co-design of innovative incentive mechanisms, which directly aligns with PFD component 1 ("*Enabling conditions created for increased **ecosystem restoration through informed, inclusive and coherent policy, planning instruments, incentives and structures***"). The project will further make contributions to PFD Component 2 ("***Innovations in ecosystem restoration resulting in transformation impacts that generate global environmental benefits and livelihoods***") and PFD Component 3 ("*Leveraged and **Sustainable financing to promote & scale-up ecosystem restoration and global environmental benefits***").

The project will contribute to a range of the 23 targets of the Kunming-Montreal Global Biodiversity Framework, in particular targets 2, 7, 8, 10, 11, 15, 18, 19, and 22. These contributions will be achieved as the core focus of this project is to mitigate climate change effects on ecosystems and livelihoods. This will be mainly achieved through improved adaptation strategies, ecosystem restoration, and water management. A core pillar of the project is the improvement of incentive schemes for local communities, which will involve the revision of existing incentives harmful for biodiversity and ecosystems. A strong element will be the work with and for women to improve gender equality.

The project is also aligned with national priorities as its outputs will establish ER practice at scale utilising water management, as a driver and entry point, to build the cross-sectoral coordination critical to transformative ecosystem restoration.

The Government of Viet Nam

- Declared ER a focus of the new national biodiversity strategy (NBSAP 2021).
- Included ER as a key strategy for adapting to climate change impacts, particularly the amplifying flood and drought cycles of the Red River basin
- Recognises the water cycle and land restoration are inextricably linked.

The project will **improve water management to restore healthy and functioning freshwater and terrestrial ecosystems, reduce the risks posed by extreme floods and droughts, and, thereby strengthen the ecosystem and community resilience to climate change**. It will also support Việt Nam’s investments in ER to achieve its ambitious biodiversity and carbon sequestration goals.

The NBSAP focus on ER is supported by an assessment of degraded ecosystems and implementation of measures to restore biodiversity and ecosystem services. The NBSAP aims to restore 25% of degraded ecosystems by 2030. This strategy is supported by the PM’s commitment to plant 1 billion trees (2021 – 2025) and by the “Greater Mekong Subregion Biodiversity Conservation Corridors Project”, aiming to connect habitats, enhance the quality of ecosystems, and promote the responsibilities of forest owners, especially local communities.

The Law on Protection and Development of Forests (1991) and the Forestry Law (2017) aim to reverse degradation of ecosystems which require adequate quantity and quality of water supplies. Decree 327 (1993) targets the reforestation of barren land. In 1998, a 5 million ha program was initiated, targeting the establishment of 2 million ha of protected forest and 3 million ha of production forest by 2010. Rural households are key stakeholders.

Since 2011, Viet Nam has developed Payments for Forest Ecosystem Services. Decree 99/2010/ND-CP allows provinces to request payments from hydropower plants, clean water suppliers and eco-tourism operators to fund forest protection and to ensure ecosystem services, generating USD 50 million annually.

The revision of the Land Law 2013 is ongoing, it seeks to strengthen citizens’ participation in land management, requiring improvements of water management issues.

The project will also contribute to Viet Nam’s commitment under the UNCCD-LDN to increase forest cover to 42% by 2020 (14.4 million ha), restore 15% of degraded forest area by 2020, and newly afforest/re-afforest 1,025,000 ha. Similarly, Viet Nam’s goals under UNFCCC-NDC will be supported, including the development of a national water resources master plan and river basin integrated master plan, and of agroforestry models to enhance carbon stocks and conserve land. Việt Nam has joined the Glasgow Leaders’ Declaration on Forests and Land Use committing to a halt and reverse forest loss and land degradation by 2030. Effectively managed water resources are essential to achieving this commitment, which this project will support.

The project is also aligned and supportive of Investments under the National Water Plan, National Water Security Program, Water Resources Management Plan, National Water Accounting and minimum flow assessments, the Ba-Bể-Lake Community-based Stewardship Program^[11], the VCF’s community engagement on co-management of Ba Be wetlands and Na Hang Nature Reserve^[21], and FAO’s APFLR program^[31] promoting forest and landscape restoration. The project will also benefit two of Viet Nam’s nine Ramsar sites (120,549 ha). Baseline investments (\$307 million) focus on infrastructure which the proposed project will support by complementary nature-based solutions.

Alignment to FAO Strategic framework, SDGs and COUNTRY Programming Framework

This project targets three main Programme Priority Area's (PPAs): Climate Change Mitigating and Adapted Agri-food Systems (BE.1), Bioeconomy for sustainable food and agriculture (BE.2) and Innovation for Sustainable Agriculture Production (BP.1). The project does this by aligning economic, social, and environmental livelihood improvements with ecosystem restoration practices. Ecosystems will be restored using improved water management practices, thereby achieving more productive and resilient agri-food systems, increasing community resiliency to climate change and offering innovative incentives to local communities in the Lô and the Da River basins which can create jobs and stimulate environmental and climate investments.

The project contributes to the achievement of SDG 6 (Ensure availability and sustainable management of water and sanitation for all) and is specifically targeted at the indicators 6.5 (implementing IWRM at all levels, including through transboundary cooperation) and 6.6 (protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes). The project does this by improving the policy and regulatory environment to facilitate the implementation of IWRM and ER practices which ultimately accelerates progress on these indicators. The project also aims at facilitating knowledge dissemination across all agencies and stakeholders relevant for both water security and ecosystem restoration in Vietnam and enhances project monitoring and evaluation to ensure adequate progress on these indicators.

Lessons learned from past projects

- Most past projects (Annex R) lacked an integrated, multi-disciplinary approach, limiting negative socioeconomic outcomes. Therefore, integration is key to developing innovative incentive programs.
- So far, projects have mainly taken a top-down, leading to limited results. Consequently, this project takes a bottom-up approach, aiming to empower local communities to effectively realise ecosystem restoration.
- Another lesson is that there is a lack of public-private cooperation in this field.
- Furthermore, most projects had a short implementation period, often three years or less, while restoration projects need to be long enough to ensure the results can be clearly seen.
- Past projects are limited to a few locations in the Red River basin, lacking a whole-of-basin approach. Restoration projects need to be large-scale or their results must be replicable.
- While PES has been trialled, adequate analysis of ecological and socio-economic outcomes is lacking.

Consequently, past projects have informed the formulation of incentive mechanisms for ecosystem restoration measures through gender-responsive [project 17-26, Annex R] nature-based solutions in farming [17, 22, 23, 24, 25] and agroforestry [18, 19] systems in achieving outcomes 2.1 and 2.2. Some projects provide input to inform the preparation of qualitative socio-economic and biophysical surveys [17, 20] under output 1.1.1; the development of the DSS model for agroecosystem restoration [22] under output 1.2.1; and evidence of tested long-term conservation measures to inform policy for NBS-based ecosystem restoration [26] under outcome 1.1. Past projects also informed the preparation and implementation of capacity building and knowledge dissemination [17-26]; monitoring, evaluation and learning [17-19] under components 3 and 4, respectively.

[1] <https://prcfoundation.org/prcf-vietnam/current-initiatives/ba-be-national-park/>

[2] MARD (2010). Forest Sector Development Project: Special Use Forest Component, Viet Nam Conservation Fund. Annual Implementation Report 2010.

[3] <https://www.fao.org/publications/card/en/c/I8382EN/>

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the child Project Description (Section B).

Yes

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

Yes

If the child project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

Closing gender gaps in access to and control over natural resources;

Yes

Improving women's participation and decision-making; and/or

Yes

Generating socio-economic benefits or services for women.

Yes

2) Does the child project's results framework or logical framework include gender-sensitive indicators?

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes has been clearly articulated in the Child Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

Select what role civil society will play in the Project:

Consulted only;

Member of Advisory Body; Contractor; **Yes**

Co-financier; **Yes**

Member of project steering committee or equivalent decision-making body ; **Yes**

Executor or co-executor; **Yes**

Other (Please explain)

Private Sector

Will there be private sector engagement in the Child project?

Yes

And if so, has its role been described and justified in section B “Child project description”?

Yes

Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed child project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Medium/Moderate		

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted and an anticipated timeline for delivery of relevant outputs has been provided. This includes budget for linking with and participation in knowledge exchange activities organized through the coordination platform.

Yes

Socio-economic Benefits

We confirm that the child project design has considered socio-economic benefits to be delivered by the project and these have been clearly described in the Project Description and will be monitored and reported on during project implementation (at MTR and TER).

The social and economic benefits of local livelihoods from this project are multifaceted and significant. By addressing issues including ecosystem degradation and climate variability, the project creates a more stable and sustainable environment for local communities. This improved coordination leads to a long-term positive impact on ecosystems such as wetland and forests which help mitigate the impacts of floods and droughts thereby securing livelihoods depending on agriculture and natural resources. The project focuses on ecosystem restoration and integrated water resources management, in particular in the Red River basin, is crucial to enhance water security that plays a pivotal role for agriculture, fisheries, and other water- dependent livelihoods as well as safe drinking water, sanitation and hygiene (WASH). Reversing ecosystem degradation also supports biodiversity, which is essential for maintaining the balance and health of the environment that underpins local economies. Through creating innovative incentive mechanisms by co-designing in partnership with local communities and marginalized groups including women, and youth, the project ensures that interventions are not only effective but also relevant and maximize positive impacts to those communities in particular marginalized groups. These incentives align ongoing livelihood improvements and poverty alleviation programmes

implemented by government and development partners by ensuring that economic gains do not come at the expense of environmental health.

The project will contribute to the Decent Work Agenda from several angles. Specifically, it will contribute to Pillar 1 on employment creation and enterprise development through developing a new incentive mechanism that provides for capacity development opportunities for local communities in particular marginalized groups when the mechanism is launched. The project has no direct impact on generating new jobs while the impact will be generated through designing incentive programmes by maximizing benefit to local communities, in particular marginalized groups including women and youth. The project ensures the enforcement of national labour laws or international commitments regarding working conditions for any employment it generates. The project also ensures occupational safety and health as well as workplace safety and will not promote or use any technologies or practices that pose risks for farmers, other rural workers or rural populations in general. These activities will be further pin-pointed following community consultations, which will help specifying and designing incentive schemes.

ANNEX A: FINANCING TABLES

GEF Financing Table

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

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
FAO	GET	Viet Nam	Biodiversity	BD STAR Allocation: IPs	Grant	4,850,744.00	436,567.00	5,287,311.00
FAO	GET	Viet Nam	Climate Change	CC STAR Allocation: IPs	Grant	2,640,596.00	237,654.00	2,878,250.00
FAO	GET	Viet Nam	Land Degradation	LD STAR Allocation: IPs	Grant	430,444.00	38,740.00	469,184.00
FAO	GET	Viet Nam	Biodiversity	BD IP Matching Incentives	Grant	1,616,914.00	145,522.00	1,762,436.00
FAO	GET	Viet Nam	Climate Change	CC IP Matching Incentives	Grant	880,198.00	79,218.00	959,416.00
FAO	GET	Viet Nam	Land Degradation	LD IP Matching Incentives	Grant	143,481.00	12,913.00	156,394.00
Total GEF Resources (\$)						10,562,377.00	950,614.00	11,512,991.00

Project Preparation Grant (PPG)

Was a Project Preparation Grant requested? true

PPG Amount (\$) 300000

PPG Agency Fee (\$) 27000

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
FAO	GET	Viet Nam	Biodiversity	BD STAR Allocation: IPs	137,774.00	12,400.00	150,174.00
FAO	GET	Viet Nam	Climate Change	CC STAR Allocation: IPs	75,000.00	6,750.00	81,750.00
FAO	GET	Viet Nam	Land Degradation	LD STAR Allocation: IPs	12,226.00	1,100.00	13,326.00
FAO	GET	Viet Nam	Biodiversity	BD IP Matching Incentives	45,925.00	4,133.00	50,058.00
FAO	GET	Viet Nam	Climate Change	CC IP Matching Incentives	25,000.00	2,250.00	27,250.00
FAO	GET	Viet Nam	Land Degradation	LD IP Matching Incentives	4,075.00	367.00	4,442.00
Total PPG Amount (\$)					300,000.00	27,000.00	327,000.00

Please provide Justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
FAO	GET	Viet Nam	Biodiversity	BD STAR Allocation	5,437,485.00
FAO	GET	Viet Nam	Climate Change	CC STAR Allocation	2,960,000.00
FAO	GET	Viet Nam	Land Degradation	LD STAR Allocation	482,510.00
Total GEF Resources					8,879,995.00

Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
Restoration IP	GET	10,562,377.00	82050000

Total Project Cost		10,562,377.00	82,050,000.00
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Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Government	Country: Ministry of Natural Resources and Environment (MoNRE)	Public Investment	Investment mobilized	1000000
Recipient Government	Country: Ministry of Agriculture and Rural Development (MARD)	Public Investment	Investment mobilized	77000000
GEF Agency	FAO	In-kind	Recurrent expenditures	250000
Recipient Government	Country: Ministry of Natural Resources and Environment (MoNRE)	Public Investment	Recurrent expenditures	3800000
Total Co-financing				82,050,000.00

Please describe the investment mobilized portion of the co-financing

- The Climate Adaptive Integrated Flood Risk Management Project aims to support the government to achieve the effective and sustainable flood risk management systems made operational and well maintained. There are three outputs - (i) institutional and planning capacities for flood risk management improved; (ii) dike systems in Red-Thai Binh and Ma rivers rehabilitated and upgraded; and (iii) flood forecasting and early warning systems for Red-Thai Binh and Ma rivers modernized.
- Technical Cooperation Programme "Improve water security and sustainable management of water resources in Vietnam, leading to enhanced livelihoods, agricultural productivity, and resilience to climate change for local communities". The project aims to enhance understanding and management of water scarcity through comprehensive assessment, development of targeted methodologies, and implementation of sustainable water management strategies.

ANNEX B: ENDORSEMENT

GEF Agency(ies) Certification

GEF Agency Coordinator	Date	Project Contact Person	Telephone	Email
GEF Agency Coordinator		Jeffery Griffin		Jeffrey.Griffin@fao.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Please attach the Operational Focal Point endorsement letter(s) with this template.

Name of GEF OFP	Position	Ministry	Date (MM/DD/YYYY)

Nguyen Duc Thuan	GEF Operational Focal Point Director, Vietnam Environment Protection Fund	Ministry of Natural Resources and Environment	5/3/2023
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ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also paste below the Project Results Framework from the Agency document. For the Integrated Programs' global/regional coordination child project, please include the program-wide results framework, inclusive of results specific to the coordination child project. For any country child project, please ensure that relevant program level indicators are included.

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
Project Objective and indicators targets:							
Component 1: Improving water security by enhancing the enabling environment for integrated ecosystem restoration							
<u>Outcome 1.1:</u> Improved policy, planning and regulation supporting effective incentive mechanisms to enhance water security and support ecosystem restoration	Number of planning directives changed or newly issued in response to this project. Number of ecosystems/river basins with improved planning, governance and policies.	N/A	Respective planning directives identified. Participatory process for target areas commenced.	- Two planning directives changed or newly issued in response to this project. - Two ecosystems/river basins targeted by changes in planning, governance, and policies	Planning documents. SC meeting notes.	Relevant stakeholders participate.	PMU
<u>Output.1.1.1</u> Comprehensive assessment of ecological health, including minimum environmental flow ¹¹¹³ requirements, conducted at national and basin levels and potential for restoration identified in a consultative process that is underpinned by high-quality biophysical and	Number of assessments conducted at national and basin levels of ecological health, including minimum environmental flow requirements.	No comprehensive assessment available at national and basin levels of ecological health, including minimum environmental flow requirements.	One comprehensive assessment conducted for RRB of ecological health, including minimum environmental flow requirements.	One comprehensive assessment conducted for RRB of ecological health, including minimum environmental flow requirements.	Assessment report presented to SC. SC meeting notes.	Data available and relevant field work can be conducted.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
socio-economic data.							
<u>Output.1.1.2</u> Assessment of a range of biophysical IWRM related processes connecting, inter alia, land degradation, erosion, landslides, siltation, water pollution, drought, flood and flash floods, and socio-economic processes linked to gender equality, livelihoods, agricultural practices, and migration conducted in target areas.	Number of assessments available of relevant biophysical and socio-economic IWRM-related processes, including gender assessment.	No assessment available of relevant biophysical and socio-economic IWRM-related processes.	One assessment available of relevant biophysical and socio-economic IWRM-related processes.	One assessment available of relevant biophysical and socio-economic IWRM-related processes.	Assessment report presented to SC. SC meeting notes.	Data available and relevant field work can be conducted.	PMU
<u>Output 1.1.3</u> Review of national policy, regulatory and institutional frameworks related to restoration and revisions proposed, including the integration of River Basin Management and ecosystem management.	Number of reviews of national policy, regulatory and institutional frameworks related to restoration and number of revisions proposed.	No reviews of national policy, regulatory and institutional frameworks related to restoration and no revisions proposed.	One review of national policy, regulatory and institutional frameworks related to restoration and at least three revisions proposed.	One review of national policy, regulatory and institutional frameworks related to restoration and at least three revisions proposed.	Review report presented to SC. SC meeting notes.	All relevant policy documents accessible.	PMU
<u>Output 1.1.4</u> Policies supporting effective incentive mechanisms to promote ecosystem restoration (including payments for ecosystem services,	Number of policies developed and/or revised.	N/A	4 policies affecting relevant incentives identified.	4 policies affecting relevant incentives introduced or revised.	Policy documents. SC meeting notes.	Policy engagement continues to be strong.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
financial and market instruments) developed and piloted, and policies that provide disincentives revised.							
<u>Output 1.2.1</u> Decision support system (DSS) for improved decision making on integrated ecosystem restoration, water allocations for ecosystems, and water resources management, assessing environmental, social, and economic benefits, piloted.	Number of DSS piloted.	No relevant DSS available.	One DSS pilot conceptualised.	One DSS piloted by DWRM.	Assessment of results from the pilot is documented and presented to SC.	Relevant DSS accessible and operated by DWRM.	PMU
<u>Outcome 1.2</u> Improved capacities for integrated water resources management and ecosystem restoration in the Red River basin to improve water security	Percentage of stakeholders reporting improved water security. Percentage reduction in areas affected by water scarcity or pollution.	No DSS, participatory planning process and water accounting available.	Development of targeted capacities (DSS, participatory planning process and water accounting) on track.	Targeted capacities regarding DSS, participatory planning process and water accounting successfully implemented.	SC meeting notes.	Relevant stakeholders continue to engage and are available for the workshop process.	PMU
<u>Output 1.2.2</u> Participatory planning and decision making process involving multiple tiers of governance implemented in the Red River basin with intersectoral coordination for revised basin planning supporting	Number of workshops conducted involving planners and decision makers from multiple tiers.	No workshops conducted involving planners and decision makers from multiple tiers.	Six workshops conducted involving planners and decision makers from multiple tiers.	Twelve workshops conducted involving planners and decision makers from multiple tiers.	Workshops summary reports.	Relevant stakeholders continue to engage and are available for the workshop process.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
ecosystem restoration and integrated ecosystem and water resources management.							
<u>Output 1.2.3</u>							
Water accounting based bulk water allocations for water users in the Red River basin in support of ecosystem restoration established and piloted	Number of water accounting systems established and piloted.	No water accounting systems established and piloted.	One water accounting system was established.	One water accounting system was established and piloted. Bulk water allocations determined.	Report of water accounting systems with results made available and presented to SC.	Data available and field work can be conducted.	PMU
Component 2: Designing and implementing incentive mechanisms for integrated water resources management and ecosystem restoration that stimulate investments, create jobs and secure livelihoods of local communities							
<u>Outcome 2.1:</u> Effective incentive mechanisms for ecosystem restoration and improved water security identified and implemented with robust uptake by local communities in the Red River basin.	Number of incentive mechanisms designed and deliberated with Red River basin stakeholders	No incentive mechanism for ecosystem restoration in RRB piloted.	Two incentive mechanisms for ecosystem restoration in RRB are designed.	Two incentive mechanisms for ecosystem restoration in RRB piloted with target stakeholders.	Pilot designs documented. Assessment reports of results from pilots. SC meeting notes.	Stakeholders engage in piloting.	PMU
<u>Output 2.1.1</u> Assessment of incentive mechanisms for ecosystem restoration conducted based on a range of SDG indicators and indicators developed under the UN Decade.	Number of assessments of incentive mechanisms conducted.	No assessments of incentive mechanisms conducted for the context of ecosystem restoration in the Red River basin.	One assessment of incentive mechanisms conducted for the context of ecosystem restoration in the Red River basin.	One assessment of incentive mechanisms conducted for the context of ecosystem restoration in the Red River basin.	Assessment report made available and presented to SC.	Relevant information and data available and necessary field work can be conducted.	PMU
<u>Output 2.1.2</u>							
Incentive mechanisms for ecosystem restoration and environmental flows designed in a participatory	Number of incentive mechanisms for ecosystem restoration and environmental flows designed.	No incentive mechanisms for ecosystem restoration and environmental	One incentive mechanism for ecosystem restoration and environmental flows designed.	One incentive mechanism for ecosystem restoration and environmental flows designed.	Design documented and presented to SC meeting.	Expertise and data available.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
process (e.g. PES as per 1.1.4, financial and market instruments).		flows designed.					
<u>Output 2.1.3</u> Incentive mechanisms combined with supporting constructional and non-constructional solutions piloted, behavioural responses and environmental outcomes monitored, and adjustments made where needed.	Number of incentive mechanisms piloted. Terrestrial protected area targeted (in ha). Area of landscapes under improved practices Area of land restored. Greenhouse Gas Emissions Mitigated.	No incentive mechanisms piloted.	Two pilots of incentive mechanisms designed.	Two pilots of incentive mechanisms were implemented and results assessed.	Pilot designs documented. Assessment reports of results from pilots. SC meeting notes.	Communities engage in pilot.	PMU
<u>Outcome 2.2</u> Local stakeholders implementing ecosystem restoration and integrated river basin management supporting viable livelihoods and providing healthy ecosystem services in the Red River basin.	Number of local stakeholders (disaggregated into number of men, women and IP&LC) engaging in ecosystem restoration. Area of landscape undergoing ecosystem restoration	Number of local stakeholders engaged in implementing ecosystem restoration and integrated river basin management	100 local stakeholders (disaggregated into number of men, women and IP&LC) engaged in implementing ecosystem restoration and integrated river basin management	300 local stakeholders (disaggregated into number of men, women and IP&LC) engaged in implementing ecosystem restoration and integrated river basin management	Documents presenting results of ecosystem restoration.	Stakeholders engage actively.	
<u>Output 2.2.1</u> Action plans for ecosystem restoration and integrated river basin management developed for multiple levels (from commune to basin) in a participatory process (involving stakeholders from government,	Number of action plans for ecosystem restoration and IRBM developed.	Number of action plans for ecosystem restoration and IRBM developed.	Participatory process concluded and one action plan for ecosystem restoration and IRBM developed.	Participatory process concluded and one action plan for ecosystem restoration and IRBM developed.	Documents summarising workshop process and action plan. SC meeting notes.	Stakeholders available.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
ethnic minorities and local communities including women, youth and vulnerable groups, civil society and private sector), covering various ecosystem types.							
<u>Outcome 2.3</u> Established strategy for scaling up integrated water resources management and ecosystem restoration based on effective incentive mechanisms and in line with the UN Decade on Ecosystem Restoration and regional strategies and action plans	<p>Terrestrial protected area targeted by upscaling strategy. Area of landscapes to be improved practices by upscaling strategy.</p> <p>Area of land to be restored by upscaling strategy.</p> <p>Greenhouse Gas Emissions to be mitigated by upscaling strategy.</p>	N/A	N/A	3 million ha of landscape targeted in endorsed upscaling strategy	SC-endorsed upscaling strategy	Pilot provides scalable results.	PMU
<u>Output 2.2.2</u> Adaptive Action Plans implemented, monitored in a participatory process and adjustments made where needed.	<p>Number of adaptive action plans implemented and monitored. Terrestrial protected area targeted by action plans.</p> <p>Area of landscapes to be improved practices by action plans</p> <p>Area of land to be restored by action plans.</p> <p>Greenhouse Gas Emissions to be</p>	No adaptive action plan implemented and monitored.	Monitoring plan for implementation of action plan drafted and approved by SC.	One adaptive action plan implemented and monitored.	<p>Report of implementation and monitoring made available and presented to SC.</p> <p>SC meeting notes.</p>	Agreement between stakeholder on action plan can be reached.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
	mitigated by action plans.						
<u>Output 2.3.2</u> Contributions made and documented under the National Plan on Water Resources, the National Plan on Environmental Protection, and the National Master Plan on Biodiversity Reservation	Number of contributions made and documented.	N/A	N/A	Ten contributions made and documented under the National Plan on Water Resources, the National Plan on Environmental Protection, and the National Master Plan on Biodiversity Reservation.	Meeting notes that confirm amendments.	Pilot provides scalable results.	PMU
Component 3: Enhancing capacities and knowledge dissemination							
<u>Outcome 3.1:</u> Effective knowledge and policy dialogue on integrated water resources management, ecosystem restoration, and water security in the Red River basin.	Number of stakeholders (40% women) participating in knowledge and policy dialogue	N/A	100 stakeholders (40% women) participating in knowledge and policy dialogue	200 stakeholders (40% women) participating in knowledge and policy dialogue	Workshop reports.	Stakeholders are available and engage actively.	PMU
<u>Output 3.1.1</u> Participatory process and platform initiated and maintained for province and local level stakeholders to deliberate lessons learnt.	Number of participatory processes and platforms initiated and maintained.	N/A	Two participatory processes (one for Lô and one for Da River basin) and platforms initiated	Two participatory processes (Lo and Da River basins) and platforms were effectively maintained.	Workshop reports with robust stakeholder participation.	Stakeholders are available and engage actively.	PMU
<u>Outcome 3.2.</u> Capacity and awareness enhanced across all agencies and stakeholders relevant for water security ecosystem restoration in the Red River basin, and other	No. of stakeholders (40% women) trained in seminars Number of stakeholders (50% women) reached by	N/A	100 stakeholders (40% women) trained in seminars 1,000 stakeholders (50% women) reached by awareness	200 stakeholders (40% women) trained in seminars 2,000 stakeholders (50% women) reached by	Participant lists for training seminars. Learning evaluation results. Assessment of awareness	Stakeholders are available and engage actively.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
basins of Viet Nam	awareness raising campaign Number of audio-visual training modules provided (in Vietnamese and in English)		raising campaign Two audio-visual training modules provided (in Vietnamese and in English)	awareness raising campaign Three audio-visual training modules provided (in Vietnamese and in English)	raising campaign. Documentation for training modules. SC meeting notes.		
<u>Output 3.2.1</u> Curriculum, audio-visual teaching modules and seminar program provided to relevant stakeholders targeting improved ecosystem restoration, incentive mechanisms, integrated river basin management, and water accounting	Number of stakeholders (40% women).trained in seminars. Number of stakeholders (40% women). reached by awareness raising campaign. Number of audio-visual training modules provided (in Vietnamese and in English)	N/A	100 stakeholders (40% women) trained in seminars 1,000 stakeholders (50% women) reached by awareness raising campaign One curriculum, two audio-visual teaching modules and two seminar program provided	200 stakeholders (40% women) trained in seminars 2,000 stakeholders (50% women) reached by awareness raising campaign One curriculum, three audio-visual teaching modules and three seminar program provided	Documented curriculum. Teaching modules.	Participants available.	PMU
<u>Output 2.3.1</u> Upscaling strategy developed for all areas of the Red River basin, and for other basins in Viet Nam.	Number of upscaling strategies developed. Terrestrial protected area targeted by upscaling strategy. Area of landscapes to be improved practices in upscaling strategy Area of land to be restored under <u>upscaling strategy</u> . Greenhouse Gas Emissions to be mitigated in	No upscaling strategy developed	Assessment for upscaling strategy drafted	One upscaling strategy developed and presented to SC.	Report documenting upscaling strategy. SC meeting notes.	Pilot provides scalable results.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
	<u>upscaling strategy.</u>						
<u>Output 3.2.2</u> Repository of tools and data relevant for effective ecosystem management in the Red River basin	Number of tools and data made available through repository.	N/A	Two tools with relevant data made available through repository.	Two tools with relevant data made available through repository.	Repository and online access data.	Tools successfully finalised & data available.	PMU
<u>Output 3.2.3</u> Knowledge management, communications and awareness strategy developed and implemented, building on the momentum of the UN Decade.	Number of strategies for knowledge management, communications and awareness raising developed and implemented.	N/A	Three strategies developed for knowledge management (1), communications (1) and awareness (1).	Three strategies developed and implemented for knowledge management (1), communications (1) and awareness (1).	Documented and endorsed strategies (3). SC meeting notes.	Stakeholder participation is effective.	PMU
<u>Output 3.2.4</u> A community of practice of trained restoration practitioners to scale up restoration	Number of trained restoration practitioners (50% women).	N/A	100 trained restoration practitioners (50% women).	200 trained restoration practitioners (50% women).	Participant lists for training seminars. SC meeting notes.	Stakeholders available and actively engaged in training.	PMU
Component 4: Monitoring and evaluation							
<u>Outcome 4.1:</u> Enhanced capacities for monitoring water security and ecosystem restoration in the Red River basin.	Number of monitoring systems developed and implemented.	N/A	One monitoring system developed and implementation commenced.	One monitoring system developed and implemented with monitoring data assessed and presented to SC.	Relevant SC meeting notes. Assessment report of monitoring data.	Stakeholders engage and data obtainable.	PMU
<u>Output 4.1.1</u> Monitoring systems developed and implemented at national and local levels (e.g. National Parks) to measure success of restoration interventions, including water,	Number of monitoring systems developed and implemented.	N/A	One monitoring system developed and implementation commenced.	One monitoring system developed and implemented with monitoring data assessed and presented to SC.	Relevant SC meeting notes. Assessment report of monitoring data.	Stakeholders engage and data obtainable.	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible
soil, and air quality							
<u>Outcome 4.2</u>							
Project monitoring & evaluation	SC endorsement of project M&E process and results.	N/A	Project mid-term review presented to SC.	SC provided endorsement of final project evaluation.	SC meeting notes.	Project management is able to elicit data.	PMU
<u>Output 4.2.1</u>							
Project M&E is conducted regularly	SC endorsement of project M&E process and results.	N/A	Project M&E designed and process commenced with first results presented to SC.	SC provided final endorsement of project M&E results.	SC meeting notes.	Project management is able to elicit data.	PMU
<u>Output 4.2.2</u>							
Coordination with the GCP	Number of coordination events attended.	N/A	Two annual GCP events were attended.	four annual GCP events were attended.	Meeting notes.	GCP events conducted and project team members available.	PMU

[1] According to Viet Nam’s Water Law (2012) minimum flows are defined as “the flow at the lowest level necessary for maintaining a river or river section in order to assure the normal development of aquatic ecosystems and the minimum water level of exploitation and use by different water users”.

[1] According to Viet Nam’s Water Law (2012) minimum flows are defined as “the flow at the lowest level necessary for maintaining a river or river section in order to assure the normal development of aquatic ecosystems and the minimum water level of exploitation and use by different water users”.

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Committed
travel	42,000.00	4,360.00	595.00
local consultants	116,300.00	84,738.00	41,274.00
contracts	0.00	39,863.00	39,264.00
intl consultants	103,000.00	5,931.00	79,911.00

expendable procurement	8,700.00	4,064.00	0.00
workshops	30,000.00	0.00	0.00
Total	300,000.00	138,956.00	161,044.00

ANNEX E: PROJECT MAP AND COORDINATES

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

Location Name	Latitude	Longitude	GeoName ID
Điện Biên province	21.824864	103.210482	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Lai Châu province	22.315926	103.276884	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Sơn La province	21.221012	104.251868	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Hoà Bình province	20.663365	105.410827	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Lào Cai province	22.312743	104.144619	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Hà Giang province	22.751662	104.9570565	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Tuyên Quang province	21.988445	105.243327	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Yên Bái province	21.719855	104.628733	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Cao Bằng province	22.738958	106.189054	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Bắc Kạn province	22.416891	105.616400	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Phú Thọ province	21.159160	104.970206	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Vĩnh Phúc province	21.351952	105.577473	

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Ninh Bình province	20.364946	105.875266	

Location Description:

Activity Description:

Please provide any further geo-referenced information and map where project interventions are taking place as appropriate.

Please refer to attached Prodoc, p. 108-110 for detailed maps.

(*irresolvable and ongoing portal upload issues).

ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS DOCUMENTS INCLUDING RATING

Attach agency safeguard datasheet/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts (as applicable).

Title

ESMF rating, moderate

1b Environment and Social Safeguards

ANNEX G: BUDGET TABLE

Please upload the budget table here.

	Component 1	Component 2	Component 3	Component 4			
FAO Cost Categories	C1	C2	C3	C4	M&E	PMC	Responsible Entity
5013 Consultants							
IUCN - Senior International Biodiversity Conservation Expert	22,000	77,000	12,000	9,000			IUCN
IUCN - International wetland and OECM expert	12,000	39,000	6,000	3,000			IUCN
IUCN - Intenational Forestry expert	12,000	39,000	6,000	3,000			IUCN
IUCN - International socio-economic expert	12,000	39,000	6,000	3,000			IUCN
IUCN - International PES expert	12,000	39,000	6,000	3,000			IUCN
IUCN - International Hydrology and water management expert	12,000	39,000	6,000	3,000			IUCN
IUCN - International Agriculture expert	12,000	39,000	6,000	3,000			IUCN
IUCN - International Procurement process manager	4,000	11,000	2,000	3,000			IUCN
Sub-total international Consultants	98,000	322,000	50,000	30,000	-	-	
PMU - National Coordinator	33,000	117,000	18,000	12,000			DWRM
PMU - Water Resources Technical Specialist	18,000	62,000	10,000	6,000			DWRM
PMU - Ecosystem Technical Specialist	18,000	62,000	10,000	6,000			DWRM
PMU - Knowledge Management and M&E Specialist	-	-	26,000	13,000	28,200		DWRM

PMU - Provincial coordinators (5 provinces)	22,000	77,000	12,000	9,000			DWRM
PMU - Project Finance Specialist	-	-	-	-		66,000	DWRM
PMU - Project Admin Assistant	-	-	-	-		66,000	DWRM
PMU - Project Accountant	-	-	-	-		57,200	DWRM
PMU - Project Procurement Specialist	-	-	-	-		33,000	DWRM
PMU - Livelihood and Agriculture Specialist	10,000	35,000	6,000	3,000			DWRM
PMU - ESS Technical Specialist	-	45,000	-	-			IUCN
PMU - Technical Advisory Board	10,000	35,000	6,000	3,000			DWRM
National consultant - translation and interpretation	-	-	31,500	-			DWRM
IUCN - National Lead Technical Expert	42,000	156,000	24,000	18,000			IUCN
IUCN - Project Coordinator	32,000	117,000	19,000	12,000			IUCN
IUCN - Admin support officer	-	-	-	-		27,000	IUCN
IUCN - Finance team support officer	-	-	-	-		27,000	IUCN
IUCN - Finance manager	-	-	-	-		6,000	IUCN
IUCN - Procurement/HR manager	-	-	-	-		42,000	IUCN
IUCN - Hydrology and water management expert	18,000	62,000	10,000	6,000			IUCN
IUCN - Biodiversity expert	18,000	62,000	10,000	6,000			IUCN
IUCN - Landscape restoration ecologist /	18,000	62,000	10,000	6,000			IUCN
NBS expert IUCN - Senior Communication and Media	8,000	30,000	7,000	3,000			IUCN

National Consultant - Conduct a comprehensive review and impact assessment of existing national policies, laws, and regulations related to water resources management, restoration, and ecosystem conservation, sustainable and climate resilient agriculture in the Red River basin	27,000	-	-	-			DRWM
National consultant - (1) Conduct a comprehensive analysis of existing policies related to incentives affecting ecosystem restoration in RRB; and (2) support the development and revision of policies related to incentive mechanism	54,000	-	-	-			DRWM
National consultant - Carry out FPIC	-	-	-	36,000			IUCN
National Consultant - Support to implement Environment and Social Management Framework (ESMP) or Environment and Social Impact Assessment (ESIA) subject to the project risk	-	-	-	21,600			IUCN
National Consultant - Document lesson learned and best practices related to ecosystem restoration and river basin management	-	36,000	-	-			IUCN

	Component 1	Component 2	Component 3	Component 4			
FAO Cost Categories	C1	C2	C3	C4	M&E	PMC	Responsible Entity
National Consultant - Collect baseline data and develop a comprehensive M&E framework	-	-	-	46,000			DWRM
	-	-	-	-			
Sub-total national Consultants	328,000	958,000	199,500	206,600	28,200	324,200	
5013 Sub-total consultants	426,000	1,280,000	249,500	236,600	28,200	324,200	
5650 Contracts							
Comprehensive participatory assessment of ecological health, including minimum environmental flow at basin level; prioritization of potential ecopsystem restoration and IWRM improvement based on community and local authority consultation and the collected biophysical and socio-economic data; high resolution hydrological model development for specific target locations; a range of biophysical IWRM related processes connecting, inter alia, land degradation, erosion, landslides, siltation, water pollution, drought, floods and flash floods and socio-economic processes	700,000	-	-	-			IUCN

<p>linked to gender equality, livelihoods, agricultural practices, and migration, conducted in target areas.</p>						
<p>Development of an integrated Decision Support System (DSS) considering multiple criteria, including ecological, social, and economic factors, to prioritize ecosystem restoration actions and water allocations; Develop and conduct water accounting that integrates environmental flow needs, to quantify water availability, withdrawals, and consumption at various spatial and temporal scales within the Red River basin; Water accounting based water allocations for water users in the Red River basin in support of ecosystem restoration established and piloted in selected areas/basins</p>	<p>470,000</p>	<p>-</p>	<p>-</p>	<p>-</p>		<p>DWRM</p>

Assessment of incentive mechanisms for ecosystem restoration conducted based on a range of SDG indicators and indicators developed under the UN Decade; identify Incentive mechanisms for ecosystem restoration and environmental flows designed in a participatory process (e.g. PES as per 1.1.4, financial and market instruments).	-	110,000	-	-			IUCN
Implement Incentive mechanisms combined with supporting constructional and non-constructional solutions piloted; Monitor behavioural responses of local communities and stakeholders to the implementation of the incentive mechanism and restoration solutions (2 pilot areas)	-	4,120,000	-	-			DWRM, IUCN
Develop Action Plan for ecosystem restoration and integrated river basin management developed for multiple levels in a participatory process	-	70,000	-	-			DWR
Implement and monitor adaptive Action Plans in a participatory process and adjustments made where needed.	-	140,000	-	-			IUCN
Conduct Comprehensive Assessment of Pilot Projects and develop upscaling strategy developed for all areas	-	120,000	-	-			IUCN

of the Red River basin, and for other basins in Viet Nam.							
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	Component 1	Component 2	Component 3	Component 4			
FAO Cost Categories	C1	C2	C3	C4	M&E	PMC	Responsible Entity
Conduct policy analysis to identify synergy and alignment with the goals of ecosystem restoration and integrated river basin management and develop evidence-based policy recommendations based on the project's findings and outcomes to address specific policy gaps and opportunities for ecosystem restoration and sustainable water resources management	-	50,000	-	-			IUCN
Carry out need assessment and develop curriculum, audio-visual teaching modules and seminar program provided to relevant stakeholders targeting improved ecosystem restoration, incentive mechanisms, integrated river basin management, and water accounting	-	-	140,000	-			IUCN
Develop repository of tools and data relevant for effective ecosystem management in the Red River basin	-	-	130,000	-			DWRM

Develop and implement strategies for knowledge management, communications and awareness raising on ecosystem restoration, water resources management, and sustainable practices building on the momentum of the UN Decade	-	-	100,000	-			IUCN
Organize site visits to the project pilots to exchange lesson learned and best practices amongs restoration practitioners.	-	-	45,000	-			IUCN
Analysis of collected data to assess changes in water, soil, and air quality indicators over time.	-	-	-	70,000			DWRM
Regular report of monitoring findings to stakeholders through accessible and userfriendly formats, such as dashboards, reports, and visualizations.	-	-	-	20,000			IUCM
Mid-term review	-	-	-	-	50,000		FAO
Terminal evaluation	-	-	-	-	75,000		FAO
Spot-check (PMU)	-	-	-	-	26,325		FAO
Annual Audit (PMU)	-	-	-	-		35,000	FAO
Spot-check (EA)	-	-	-	-	26,325		FAO
Annual Audit (EA)	-	-	-	-		35,000	FAO

Terminal report process	-	-	-	-	6,550		FAO
	-	-	-	-			
5650 Sub-total Contracts	1,170,000	4,610,000	415,000	90,000	184,200	70,000	
5021 Travel							
International Travel - Participate Annual GCP Conference	-	-	-	100,000			DWRM, IUCN, FAO
Study tour	-	-	-	100,000			DWRM
National Travel (PMU)	14,200	41,000	6,000	6,000			DWRM
National Travel (EA)	12,000	41,707	6,000	3,000			IUCN
5021 Sub-total travel	26,200	82,707	12,000	209,000	-	-	
5023 Training							
National, regional and provincial stakeholder consultation workshops and training on ecosystem restoration prioritization, IWRM improvement, DSS design and development, inter-provincial and inter-sectoral platform, adaptive	240,000	-	-	-			DWRM, IUCN
National, regional and provincial stakeholder consultation workshops and training on design of incentive mechanism, stakeholder engagement, lessons learnt and best practices on ER and river basin	-	204,000	-	-			DWRM, IUCN

	Component 1	Component 2	Component 3	Component 4			
FAO Cost Categories	C1	C2	C3	C4	M&E	PMC	Responsible Entity
National, regional and provincial stakeholder consultation workshops and training on ER, integrated river basin management, multi-stakeholder dialogue platform, adaptive management principles, knowledge sharing, communication and awareness raising campaign on ER, WRM, sustainable practices in the RRB under Component 3	-	-	280,000	-			DWRM, IUCN
ESM Training to local team, provincial government and stakeholders	-	-	-	16,000			IUCN
Inception and terminal workshops	-	-	-	-	20,000		DWRM
Project annual meetings	-	-	-	-	30,000		DWRM
	-	-	-	-			
5023 Sub-total training	240,000	204,000	280,000	16,000	50,000	-	
5024 Expendable procurement							
Establish Monitoring Stations for regular data collection efforts using standardized methodologies and tools	-	-	-	250,000			IUCN
	-	-	-	-			

5024 Sub-total expendable procurement	-	-	-	250,000	-	-	
6100 Non-expendable procurement							
PMU office equipments (laptops, tables, photocopy machine, printer, scanner and other facilities)	-	-	-	-		50,000	DWRM
IUCN - office equipment (laptops, printer...)	-	-	-	-		10,000	IUCN
6100 Sub-total non- expendable procurement	-	-	-	-	-	60,000	
5027 Technical Support Services							
	-	-	-	-			
5027 Sub-total technical support services	-	-	-	-	-	-	
5028 GOE budget							
DWRM PMU office operation (internet, phone, power...)	-	-	-	-		10,000	DWRM
IUCN shared office	-	-	-	-		28,770	IUCN
IUCN shared office utilities and supplies	-	-	-	-		10,000	IUCN
6300 Sub-total GOE budget	-	-	-	-	-	48,770	
TOTAL	1,862,200	6,176,707	956,500	801,600	262,400	502,970	

SUBTOTAL Comp 1	1,862,200
SUBTOTAL Comp 2	6,176,707
SUBTOTAL Comp 3	956,500

SUBTOTAL Comp 4	801,600
M&E Budget	262,400
Subtotal	9,797,007
Project Management Cost (PMC)	502,970
TOTAL GEF	10,562,377

PPG Grant Approved at PIF:

	<i>Project Preparation Activities Implemented</i>	<i>Original budget (USD)</i>	<i>Expenditure upto date (USD)</i>	<i>Commitment (USD)</i>	<i>Total expenditure and commitment (USD)</i>	<i>Remarks</i>
5543	Local consultants	116,300	84,738	41,274	126,012	
	Expert 1: Operations Specialist	16,000	14,173	9,619	23,792	
	Expert 2: Logistics and liaison expert	10,500	8,428	2,278	10,706	
	Expert 3: Institutional Arrangement and ODA Project Approval Expert	10,000	-	10,328	10,328	
	Expert 4: National Project Coordinator	24,000	20,589	4,050	24,639	
	Expert 5: Socioeconomic & Gender Expert	10,800	11,025	-	11,025	
	Expert 6: Hydrologist	9,000	9,176	-	9,176	
	Expert 7: Agro-ecologist	9,000	12,235	-	12,235	
	Expert 8: Senior Ecosystem Advisor	6,000	9,113	-	9,113	
	Expert 9: Viet Nam Water Law and Policy Expert	6,000	-	-	-	
	Operational/financial management	15,000	-	15,000	15,000	
5542	International consultants	103,000	5,931	79,911	85,842	
	Expert 10: Lead GEF Project Design Specialist and PPG Coordinator	42,000	-	-	-	Signed LoA with MERFI, instead of international consultant
	Expert 11: Supporting GEF Project Design Specialist	56,000	5,931	50,069	56,000	
	Expert 12: Environmental & Social Safeguards (ESS) Specialist (supporting)	5,000	-	-	-	
	Expert 13: GEF Programme Technical Specialist	-	-	29,842	29,842	

5570	Total consultants	219,300	90,669	121,185	211,854	
5014	Contracts	-	39,863	39,264	79,127	
	LoA with Government EA - Inception & Validation Workshops, Consultation Workshops, Field missions	-	10,041	19,669	29,710	
	LoA with MERFI for GEF Project Design and PPG Coordinator	-	29,822	19,595	49,417	
5684	Travel	42,000	4,360	595	4,955	
	National travel - site visits, consultation, and workshops	30,000	1,517	539	2,056	
	International travel - site visits, consultation, and workshops	12,000	2,842	56	2,899	
5905	Workshops	30,000	-	-	-	
	National PPG Inception Workshops (excl. travel)	10,000	-	-	-	Signed LoA with Government EA
	National PPG Validation Workshops (excl. travel)	10,000	-	-	-	Signed LoA with Government EA
	Provincial consultation meetings (excl. travel)	10,000	-	-	-	Signed LoA with Government EA
5024	Expendable procurement	8,700	4,064	-	4,064	
	Translation - prodoc (disclosure), workshop materials	6,000	924	-	924	Signed LoA with Government EA
	GOE	2,700	3,140	-	3,140	
	Total Budget	300,000	138,956	161,044	300,000	

Please explain any aspects of the budget as needed here

ANNEX I: RESPONSES TO PROJECT REVIEWS

From GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF.

Component	Main changes from PIF
<p>The full proposal should include the analysis of and cooperation with relevant ongoing and planned projects at national level by organizations other than participating implementing agencies as a guiding criterion for the conceptualization and implementation of child projects to seek synergies in implementation.</p>	<p>We followed this advice and provided a detailed analysis of past projects and how lessons learnt have influenced the design of this project. Furthermore, we presented an in-depth overview of baseline projects and how a cross-fertilising collaboration will unfold.</p>
<p>Throughout the proposal, innovation features as a prominent element but is not defined. It is understood that the term innovation may refer to the development and application of new methods and approaches, technology, financial instruments, removal of policy barriers, new business models, and institutional reforms. However, it is important to explicitly define this concept and Germany suggests including a reference to the fact that innovations are not exclusively constituted by actions that are entirely new or untested.</p>	<p>We define innovation as a process to design a new incentive mechanism that facilitates ecosystem restoration from the bottom-up. The project aims to design incentives that are entirely new and yet untested. However, we agree with the comment that even a design that is potentially not entirely new but has yet not been piloted in the context of Viet Nam would be considered as an innovation for the context of the Red River basin.</p>