

Sustainable Forest and Forest Land Management in Viet Nam's Ba River Basin Landscape

Review PIF and Make a recommendation

Basic project information

GEF ID

10539

Countries

Viet Nam

Project Name

Sustainable Forest and Forest Land Management in Viet Nam's Ba River Basin Landscape

Agencies

UNDP

Date received by PM

3/24/2020

Review completed by PM

Program Manager

Jurgis Sapijanskas

Focal Area

Multi Focal Area

Project Type

FSP

PIF

Part I – Project Information

Focal area elements

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Many thanks for the thorough revisions and comprehensive responses throughout this review.

Yes, cleared.

JS -3/27/2020

The project is well aligned with LD-1-2.

The project will intervene in areas that host globally significant biodiversity and has thus the potential to deliver important biodiversity benefits. The biodiversity mainstreaming approach, and how it will deliver concrete biodiversity benefits, must however be clarified for the project to be fully aligned with BD-1-1. The project does not seem aligned with the “spatial and land-use planning” entry point of the BD focal area strategy and how the project would concretely contribute to biodiversity mainstreaming in the forestry sector is unclear:

- the project would have an important contribution for biodiversity conservation through the preservation of natural forest and their connectivity in the face deforestation and forest degradation. This calls for a landscape / land use planning approaches, which the PIF states the project will use. However, most - if not all- of the project is within the forest land use. The theory of change (provided at the beginning of section II.3) notably mentions targeted interventions within forest land uses only, when the PIF points to agricultural and infrastructure expansion as the main underlying causes of deforestation with coffee plantation expanding in agricultural land, which in turn causes displacement, deforestation and illegal resource exploitation. It is unclear how the project would tackle the effects of competition for land without a truly multi-sectorial approach, which unfortunately would probably be beyond the proposed executing agency’s mandate. As described, the project thus does not seem aligned with the “spatial and land-use planning” entry point of the BD focal area strategy. Please consider revising to adopt a truly land-use planning approach.
- As a contribution to BD mainstreaming in the forestry sector, the project proposes to support sustainable forest management (SFM) plans, but it does not articulate how the implementation of these plans would contribute to incremental benefits for biodiversity of global relevance. The project proposes to support sustainable forest management (SFM) plans, but, as the PIF recalls, SFM plans are an obligation under national law. Hence the development and implementation of SFM plans cannot in itself be considered as a GEF increment and would not be eligible for GEF funding without a clear BD increment. Further, since according to the PIF there is moratorium on harvesting in natural forests in Central highlands, how are the interventions in component 2 (beyond 500 ha of restoration for connectivity) to have significant additional effects on biodiversity in the targeted 127,929 ha of natural forests? What are the biodiversity benefits expected of interventions in the other forests targeted (28,144 ha), which are probably monospecific plantations?

Agency Response

UNDP Response, 14 April 2020

The design of the proposed project has been revised to better emphasize and deliver biodiversity benefits and improve alignment to GEF-7 biodiversity programming directions. This has involved:

- (1) Strengthening the biodiversity mainstreaming interventions of the project to integrate with government provincial master planning and district land use planning including the provision of spatially-explicit inputs and multi-stakeholder dialogue to inform this process (Component 1). Note that because of the timing of the government's planning processes being rolled out under the 2017 Planning Law (i.e. master plans expected to be completed by the end of 2020), project interventions have been developed to integrate with the implementation, mid-term review and revision of the plans. Output 1.2 has been revised to more explicitly reference this. To facilitate stakeholder engagement and landscape-level coordination across government for the project interventions and inputs to land use planning processes a new Output 1.1 to establish multi-stakeholder dialogue has been added.
- (2) Strengthening the project's focus on enhancing the management effectiveness of protected areas in the landscape. Beyond the three existing target PAs, this now explicitly includes support for the government's establishment of a new PA and capacitation of its staff through conversion of existing production forests to a Special Use Forest. Much of this area is HC VF which will secure the protection of these values. The GEF funds will therefore support enhanced management of 4 PAs covering some 80,000 ha, within a matrix of high conservation value natural forests managed as Protection Forests. Field-based interventions under Component 2 have been rearticulated to better emphasize the enhanced management of globally-significant PAs and the focus on reduction of threats to biodiversity. This includes encroachment in PA buffer zones which are now more explicitly referenced and brought under relevant outputs (Component 2).

The programming of funds in Table A, formulation of outputs in Table B and the narrative of the project's alternative strategy have been revised to reflect these changes, along with other parts of the PIF as relevant.

The revision to the outputs under Component 2 aims to clarify the project's incrementality for SFM plans by identifying the key interventions needed to enhance the consideration of biodiversity conservation within the development and implementation of these plans. This includes monitoring and inventory of biodiversity assets (Output 2.1); defining biodiversity conservation priorities and building technical capacity and commitment to integrate conservation actions into SFM plan/annual work plan implementation (e.g. species and habitat management, biodiversity threat management, regeneration/restoration) (Output 2.2); enhanced attention on PAs to increase patrolling, surveillance and community engagement to reduce encroachment, poaching and logging (Output 2.3); strengthening community-based conservation through co-management, participatory forest planning and livelihoods support (Output 2.4); targeted livelihoods support for women and women's groups (Output 2.5); technical investment in restoration to build connectivity for wildlife (Output 2.6); and better mobilization of the existing PFES system to improve conservation outcomes (Output 2.7). In the absence of these targeted actions to raise awareness, capacity and commitment for biodiversity conservation as an integral part of sustainable forest management, it is expected that the SFM plans required under national law (i) would be developed but would typically be done by consultants with limited input/engagement from forest managers (and therefore failing to build capacity and commitment of managers for biodiversity conservation actions); (ii) would fail to effectively consider biodiversity conservation and ecosystem services needs in plans/annual work plans; and (iii) would be implemented with inappropriate practices and limited capacity for technically-sound conservation approaches – resulting in limited success of conservation actions and further degradation and loss of biodiversity assets from these forests. Further, without the landscape-level monitoring, planning and enforcement promoted under Component 1, (iv) SFM plans would only consider site-level issues and landscape-level requirements for biodiversity and ecosystem services will be absent. This incrementality has been reflected in the PIF.

The project targeted FMUs have been identified on their biodiversity and ecological values, including expected presence of HC VF. This includes FMUs in the landscape that overlap with recognized KBAs. A vast majority of the selected area is biodiverse natural forest, with some areas of agricultural land (~10,000 ha) and plantation forest (<5,000 ha). The boundary for project interventions has been set at the level of the FMU as this is the scale at which planning and administration

takes place. The alignment of these areas to the GEF core indicators has been revised to improve clarity and the terminology used in the PIF to describe the project area revised to minimize confusion. The project interventions will emphasize the enhanced management of the natural forest areas (particularly in FMUs that are PAs) and the reduction of site- and landscape-level threats to their condition and viability. In the remaining areas of agricultural and plantation forest (including in PA buffer zones), the project will focus on managing edge impacts and threats into natural forest areas, and on new livelihood development business models for local communities to minimize illegal encroachment into high-biodiversity natural forest areas. Further, with the project PAs, boundary realignment will be supported to exclude areas of bare/agricultural land of little conservation value used by communities and its replacement with high-biodiversity natural forest areas (NB: this is expected to have no net impact on overall PA size at this stage, but will increase their conservation value).

Indicative project/program description summary

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/16/2020

Yes, cleared

JS 4/15/2020

Please correct component 2's title in table B to make it consistent with the rest of the PIF and the underlying PIF document uploaded, which shows "" Conserving globally significant biodiversity and ecosystem services in forested landscapes of Ba River basin"

JS -3/27/2020

General comments:

From the PIF's description of the project, it seems the main contribution of the project for biodiversity would come from the maintenance and enhanced connectivity of the remaining natural forest. But the project's theory of change, outcomes and outputs do not make, at this stage, clear that this is the primary objective of the project and how this would be achieved in practice.

The project scale is relatively small. For many outputs, it is not clear why the project would act only at a small scale.

Specific comments:

Outcome 1:

Output 1.1: Please clarify the scope of the monitoring tool. Table B proposes a large scope, including biodiversity in the output's formulation and even including ecosystem services in the outcome's formulation, when the description seems restricted to tracking forest cover. If it is the former, please clarify which aspects of biodiversity and ecosystem services would be included and how it would relate with existing biodiversity and ecosystem services monitoring tools in Viet Nam. If it is the latter, please clarify why this output is not directly at a national scale.

Output 1.2: Please clarify what this output would do in practice. Is it training? If so, how would these be institutionalized? What is concretely meant by "capacity to respond to forest loss alerts", is it increased enforcement capacity? Through which means? What is the difference with output 2.2?

Output 1.3: Please clarify how this HCVF and restoration plan can be integrated in the targeted provinces when at least some of them are set to define forest protection and development plan before it is developed (covering 2021-2030 for Gai Lai and 2021-2025 for Phu Yen). Please clarify how wildlife corridors would be identified and how the project intends to contribute to their maintenance / restoration beyond the 500 ha set to be restored.

Output 1.4: Please clarify what "coordination mechanism" means and how in practice "biodiversity consideration" would be integrated therein. The added-value of the project is unclear at the provincial level where the description implies that there are already MOUs and coordination meetings. The project is even less clear at district and local level and the need for multiplying of many layers of coordination is not justified.

Component 2:

While they don't have to be precisely defined at PIF stage, please add indicators to measure biodiversity outcomes (e.g. monitoring some relevant species).

Output 2.1 : Please add in table B that 10 forest units will targeted, as stated in the output's description.

The support to the definition and implementation of SFM plans, which are an obligation under national law, is not in itself eligible for GEF funding. Please revise to make the GEF increment clear and the output formulation in table B shorter.

Please clarify why the preliminary targeted sites have very few CPC managed areas (less than 1% of the surface according to the second table in Annex A) when 67% of forest land are CPC managed in the targeted districts (first table in annex A).

Please clarify what are SFM plans for the targeted PAs, are they the PA management plans themselves?

Please clarify what would the increment provided by this proposal for the Dak Rong and Tramp Lap Forestry Companies' production forests that are to be converted into Special use forests under co-funding?

Outputs 2.2 and 2.3: Please clarify what the program would cover. Is it training? Please also clarify the scale (target landscape or national) and how it will be institutionalized.

Output 2.4 : Please clarify the current use of PFES in the target landscape, including whether the PAs receive funding from PFES. Please confirm that everything is in place (framework, monitoring tools, etc) for result-based payments linking the level of ecosystem service provision with the money transfer.

Component 3:

Output 3.1 : please revise to make the output formulation more concise. Please clarify the links between this proposed work on the forestry policy environment and Viet Nam's biodiversity policy framework. Please also clarify the apparent overlap with on going project GEF ID 9361 – UNDP - “*Mainstreaming Natural Resource Management and Biodiversity Conservation Objectives into Socio-economic Development Planning and Management of Biosphere Reserve in Viet Nam*”, which, under its component 1, is to work on legislation to support integrated landscape planning, as well as on legislation, guidelines, standards and norms to mainstream biodiversity in natural use sectors.

Agency Response

UNDP Response, 14 April 2020

The project's theory of change, outcomes and outputs have been revised to better elaborate on the project's strategy of supporting landscape-scale conservation and connectivity of Ba River forested landscapes. With regards to the scale of interventions under Component 2, the area is restricted by the relatively small project budget of \$2.1m and the desire to maximize on-ground impact. The identified geographic scale and selection of 8 FMUs (including 3 existing PAs plus one new PA) and 2 community-managed areas is based on what is considered feasible for the project budget. Project interventions in the two community-managed areas will be particularly labor-intensive as they require comprehensive participatory processes and the demonstration of a new co-management model. It is not considered at this stage possible to expand the demonstration landscape with the available budget, although this will be considered during the PPG stage as project interventions are detailed and costed. However, the revision of project interventions is intended to help increase overall project impact and geographic coverage. Under Component 1,

the integration of biodiversity priorities within jurisdictional planning processes at provincial and district level has been strengthened to increase impact over these broader areas. The development of specific guidance to inform SFM planning and master planning under Output 3.1 is intended to facilitate replication and broader uptake of project approaches outside of the project area. At PIF stage a replication target is set for demonstration of project approaches in three additional districts and one additional province. Project knowledge management activities under Component 3 will focus on supporting replication and upscaling within the landscape, and to other districts and provinces.

The arrangement and formulation of Outputs have been revised in accordance with the prior-mentioned changes. Original Outputs are listed in accordance with GEF Secretariat comments, although many of these have been revised/replaced in response (as indicated). Responses on specific comments are as follows:

Output 1.1 (now Output 1.3): The description of the monitoring system has been revised to improve clarity. The project will support the provision of high-resolution, near-time/real-time remote sensing data to provide a tool for monitoring forest changes. The aim is to provide more immediate data on forest loss as a regular alert/warning system that can be used by forest protection administrations and forest/PA managers. This will be combined with existing available spatial datasets that more broadly cover biodiversity and ecosystem services (e.g. UN Biodiversity Lab datasets) so that data can be used in combination to identify priority areas for biodiversity conservation and assess the risk and potential impact of forest changes (as a key driver of other biodiversity/ecosystem service losses). The monitoring will be demonstrated at the provincial scale so that it can be clearly tied to the application and use of data (e.g. to support district land use planning decisions and inform management/enforcement actions at FMU scale), as raising spatial literacy and the use of spatial data to inform forest management decision-making is a key desired outcome. On the basis of the provincial demonstrations the project will use lessons and findings to draft guidelines and recommendations on how to better use spatial data and remote sensing technology in decision-making for consideration of MARD and integration into existing national systems;

Output 1.2 (now removed): Training interventions have been rationalized as part of the PIF revision and the prior Output 1.2 has been removed. The key capacity needs at landscape scale are on building capacity to analyze/use spatial and remote sensing data (now captured under Output 1.3) and enforcement coordination (Output 1.4). Capacity needs are greater at the site-based level (Component 2) including in patrolling and surveillance, and training in community/stakeholder engagement at project PAs. Outputs have been revised accordingly;

Output 1.3 (revised): The biodiversity and HCVF strategy will be integrated into efforts on the demonstration landscape as follows. First, under Output 1.2 it will be integrated into the mid-way revision stage of the provincial master plans and district planning (i.e. revised plans for 2026-2030) with land use plans prepared in at least two districts. As the strategy will be spatially-explicit it will provide data layers and targets that can be used for these ongoing jurisdictional planning processes. Analysis of remote sensing and spatial data (Output 1.3) will be used to help monitor the implementation of these plans and status/escalation of risks to biodiversity. This project has been developed to integrate with provincial work programmes for forest management, which will provide substantial co-financing to the project, particularly in Gia Lai. The landscape-scale strategy and other project findings will be used to inform the subsequent provincial programmes for forest protection and management in the next planning cycle. Further, the strategy will inform the identification of biodiversity conservation priorities at site-level conducted under Component 2. This will include the identification of conservation actions that are a priority for each FMU, including PAs, and support for an estimated 500 ha of restoration in areas identified as priority at landscape level. The strategy will identify areas that are a priority for restoration (e.g. for movement of wildlife across the landscape, HCVF connectivity/condition). These activities will be integrated into the plans and operations of FMUs (including PAs) under Component 2.

Output 1.4 (revised): The project's attention on strengthening law enforcement coordination has been rationalized to focus on inter-provincial coordination as this is considered a priority to manage cross-basin poaching and logging activities. There is an existing forest protection MOU in place between provincial authorities, but it has limited operation in practice (e.g. infrequent meetings, absence of regular information sharing). Further, it currently only covers forest-related offences and does not consider wildlife, despite this also being a threat in the landscape. The project will broaden this existing mechanism to support the consideration of wildlife-related offences and facilitate increased sharing of information between provinces on illegal logging and poaching across the landscape. This will be supported by targeted efforts to enhance patrolling and surveillance that will take place in the target PAs/FMUs under Component 2.

Component 2 indicators: The proposed indicators for Component 2 have been revised to give a better indication of biodiversity outcomes, including presence of threatened species indicator species, and an indicator to reduce the number of forest and wildlife violations.

- **Component 2 geographic scope:** The focus of Component 2 on 8 FMUs (including existing 3 PAs and one new PA to be established) and 2 community-managed areas has been added to Table B. This has been added to the Outcome level rather than add it to multiple outputs. This also helps clarify the scale of outputs under this Component. This information is also clarified at the start of the narrative for Component 2.
- **Output 2.1 (revised and split across multiple Outputs):** The articulation of outputs under Component 2 has been revised to better show the incrementality of the project to enhance the consideration of biodiversity conservation within SFM plan development/implementation. For clarity, a note has been added to explain that all FMUs are required to have an SFM plan; and in PAs (Special Use Forests) the SFM plan now forms the PA management plan and has replaced the need for a separate PA management plan. In the project landscape there is currently not much difference in the capacity and approaches of Special Use Forests versus Protection Forests. The project will seek to address this situation and particularly strengthen the integration of biodiversity within SFM plan implementation/work plans in the three PAs (and the proposed new PA) and build capacity to implement these “enhanced” SFM plans. For ease of understanding, the term “PA manager” is still used to clearly identify the managers of Special Use Forests, however in practice these still fall under the broader titles of forest managers/FMUs.
- **Community-managed areas:** As outlined before the capacity development needs for community-managed areas are cost-intensive. To ensure project impact and adherence to a comprehensive participatory process for co-management only two community-managed areas have been proposed as this area is considered viable within the project budget. The project will also support the allocation process for allocation of forest/forestland from Commune People’s Committees to village communities. These activities are better clarified under new Output 2.4.
- **Establishment of Special Use Forest in areas of Dak Rong and Tram Lap Forestry Companies:** Co-financing contributions cover the regulatory/submission process for the conversion of some of these areas to a Special Use Forest. This has the strong support of Gia Lai Province and will shortly be submitted to the Provincial People’s Committee and MARD for final endorsement. In parallel, the People Resources and Conservation Programme is supporting engagement and socio-economic development of local communities in support of this proposal. This proposed project will build on this baseline under Component 2 by enhancing the management effectiveness of this proposed new PA through capacity development, training and equipment for PA managers. This will include monitoring and inventory, patrolling and surveillance, training in community engagement processes/mechanisms, along with technical support for biodiversity conservation on-ground protection/restoration actions (the preliminary needs identified during PIF development discussions). Capacity needs for this new PA will be confirmed during the PPG phase in detailed discussions with managers. This area is now captured under core indicator 1.1 based on the updated process and commitment for PA establishment.
- **Output 2.2 (revised and split across multiple outputs):** The prior output on capacity development has been replaced with more targeted outputs focused on the specific intervention areas, so that capacity development is now integrated across multiple outputs under Component 2. The specific support provided with GEF funds (e.g. training, equipment, extension, technical demonstration) has been indicated in each Output and its description. District/provincial administrations will be engaged in these activities to support institutionalization of approaches and their replication across project provinces. This will also be supported by knowledge management and policy mainstreaming under Component 3.
- **Output 2.3 (revised into new Output 2.5):** A separate output has been kept to retain the emphasis on improving women’s livelihoods, but has been revised to clarify the specific activities and capacity development that will be supported by GEF funds.
- **Output 2.4 (now Output 2.7):** The PFES system is operational in the landscape but to date has not been used extensively and payments have tended to be small. From 2013-18, payments into the fund in Gia Lai have amounted to VND 528.8 billion (US\$22.78 million), while Phu Yen has received VND 40.06 billion (US\$1.73 million). This includes funds to PAs who are able to access PFES alongside other FMUs. Output 2.5 will focus on raising awareness of PFES and improving performance monitoring process. This will use the existing framework which is operational in the project landscape.
- **Output 3.1 (revised):** The output formulation has been revised and the detail shifted to the narrative of the output description. The GEF-6 biosphere project executed by MONRE is working on broader regulatory/policy reform and improvements focused on the 2008 Biodiversity Law, namely better legal recognition, status and management of threats to biosphere reserves. The project will also work on harmonization with other laws and consideration of biosphere reserves and biodiversity conservation with legal frameworks of other sectors such as tourism. This broader focus on legislative reform is in accordance with MONRE’s mandate. This

proposed project will focus on the Forestry Law, which is the key legal instrument for the administration of Special Use Forests, Protection Forests and Production Forests. The Forestry Law has been recently revised and enacted (2017) but targeted work is needed to support its effective implementation. This project will support operationalization of this law through targeted guidance and regulations to support its implementation, including at provincial and district levels. This more targeted policy/regulatory focus is aligned to FIPI's mandate in supporting implementation of this law. There are opportunities for the two projects to coordinate, such as on the provision of guidance on integrating biodiversity conservation into provincial master planning and district land use planning, and guidelines for biodiversity, HC VF and ecosystem services monitoring. This proposed project will include demonstrations in this regard that can feed up into/support national-level guidance, and on cross-exchange of approaches under biodiversity and forestry legal frameworks and across a range of PA management types (biosphere reserves, Special Use Forests, Protection Forests and Production Forests). The two projects will integrate closely on these activities which will be supported by UNDP as the GEF Agency for both projects.

Co-financing

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes, cleared.

We note the solid level of co-financing, including investment mobilized, identified. Please confirm during PPG.

Agency Response

GEF Resource Availability

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes, cleared.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes, cleared.

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes. We note that this project uses \$500,000 out of the total \$2,341,072.97 marginal adjustment permitted for Viet Nam at the time of submission. The marginal adjustment is here used in favor of the LD focal area.

Cleared.

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The SCCF (Adaptation or Technology Transfer)?

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

Focal area set-aside?

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

Impact Program Incentive?

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

Project Preparation Grant

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes, cleared.

Agency Response

Core indicators

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

Secretariat Comment at PIF/Work Program Inclusion

JS -4/15/2020

Yes, cleared.

We note the project will support submission of updated PA areas to the WDPA.

JS -3/30/2020

The surface area of the following PA is not the same as reported in the WDPA. Please correct or clarify in the PIF that the entry in the WDPA will be corrected as part of the project:

- Kon Ka Kinh (WDPA ID 10378) has 42,057 ha in WDPA
- Kon Chu Rang has 15, 444 ha in WDPA
- Krong Trai has 13, 775 ha in WDPA

Please clarify whether part of the ha reported in core indicator 4.1 should actually not be reported under core indicator 4.4 on HCVF loss avoided.

Thank you for the ex-act calculations provided in annex but please revise the calculations for core indicator 6. Please also note that the GEF expect target for a period of 20 years, not an annualized amount, of CO2 stored or not emitted in forests and soils as a result of the project. Please note the target should be the quantity of carbon (tons CO2e) stored or not emitted in forests and soils as a result of the project compared to the baseline without the project. The figures associated with the restoration of 500 ha seem realistic. However, it seems improbable to achieve incremental mitigation of 46 million tCO2e, if any, through improved management of what are mainly natural forest that cannot be logged. Please clarify what is the baseline scenario to calculate such an increase in CO2e storage/emission reduction thanks to the project.

Agency Response

UNDP Response, 14 April 2020

The size of the protected areas has been confirmed as accurate and hence this data has been retained for core indicator contributions. Note that some realignment of PA boundaries is proposed under Component 2 to realign boundaries to exclude areas of low-biodiversity value and replace with higher-value natural forests, but this is expected to have no net change on PA areas. The project will support the submission of updated PA areas and boundaries to the WDPA.

The project contributions to sub-indicators under core indicator 4 have been revised and now reflect the contributions to area managed for biodiversity (natural forests) and areas managed under production (production forests, agricultural areas). In light with the changes to the project strategy and outputs a new target has been added under core indicator 1.1 representing the establishment of a Special Use Forest in some of the areas of Production Forest under Dak Rong and Tram Lap Forestry Companies. This area will be refined during PPG as the approval process for this PA continues. In practice it is expected that much of this area will be HC VF (although as it will fall within a PA it has been counted under core indicator 1.1 not 4.4).

The project's initial EX-ACT calculations have been revised. The prior estimate was assuming that improved forest management on all lands covered by the project would result in a shift in degradation status, which is impractical given the project's focus on achieving biodiversity conservation outcomes.

A more conservative estimate for 20-year period is 1,577,006 tCO₂e. This involves:

- Forest restoration over 500 ha: the initial state of the restoration area is bare land with some shrubs. The proposed project will restore this area to a subtropical humid forest.
- HC VF protection: an estimated 10,000 ha HC VF protection and enhanced management will result in avoided shift in degradation from moderate to low condition on at least 5,000 ha, assuming that in absence of the project this level of degradation would occur.
- Improved forest management for biodiversity conservation over PA/FMU remaining land has not been calculated to result in changed degradation status and therefore no GHG benefit has been calculated at this stage.

Further calculations will be completed during the PPG phase as activities and project landscape are defined. Please refer to Annex C of the PIF for the revised estimate details.

The tCO₂eq estimate is provided for 20-year period with an anticipated start year of 2022. The timeframe for the calculation had been omitted from the GEF portal in error and is now added.

Project/Program taxonomy

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please clarify why "sustainable agriculture", under Land Degradation, is tagged.

Agency Response

UNDP Response, 14 April 2020

The project will have some targeted interventions on areas of agricultural land (e.g. agroforestry models as part of livelihoods development) located within the target FMUs and buffer zones. This effort will be relatively minor but the tag was made for completeness. This has clarified in the PIF and core indicator alignment.

Part II – Project Justification

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please consider reformulating the long-term vision / solution of the project which seems tautological (“The long-term solution is for transformational solutions to the problem of unsustainable forest management [...]”).

Please also clarify to what extent the targeted area is affected by “empty forest syndrome” and clarify the project’s contribution to address this issue in the alternative scenario description.

Agency Response

UNDP Response, 14 April 2020

The long-term vision and solution of the project has been revised.

A key threat to natural forest and PAs in the project landscape is wildlife poaching and snaring and trafficking of illegal products (timber and wildlife) across the Ba River basin. PA managers consulted during PIF development confirmed that this is a challenge to effective PA management. The project's contributions to help combat this include: a) broadening of existing forest law enforcement coordination measures to cover wildlife-related offences (Output 1.4); b) participatory monitoring involving forest managers and communities to raise awareness of biodiversity and increase engagement and commitment for its protection (Output 2.1); training, equipment and operational support to strengthen patrolling and surveillance activities to detect and deter poachers and presence of snares (Output 2.3); livelihoods support and diversification for local communities (e.g. agroforestry, NTFP models) to reduce local community participation in wildlife poaching and forest encroachment (Output 2.4). The project's contribution to this has been captured in a new project indicator to achieve a decrease in the number of forest and wildlife offences/violations.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

We note that there is a very strong baseline to build upon, which calls for a very clear explanation of the GEF increment.

Please clarify the time span of all the project cited in the baseline (ADB BCC and ADB-CEP BCI II, FCPF, SNV PFM projects do not have dates) and their links with the proposed project (e.g. FCPF).

Please add the ongoing GEF ID 9361 – UNDP - “Mainstreaming Natural Resource Management and Biodiversity Conservation Objectives into Socio-economic Development Planning and Management of Biosphere Reserve in Viet Nam” in the baseline as some of its outputs are directly relevant to this proposal (e.g. output 1.2 on legislation to support integrated landscape planning, output 1.3 on legislation, guidelines, standards and norms to mainstream biodiversity in natural use sectors, output 2.5 on forest restoration to improve connectivity).

Agency Response

UNDP Response, 14 April 2020

The timeframes of mentioned projects have been added to the baseline section and key relevance/intersection to the project outlined (see also Section 6 on coordination).

The GEF-6 biosphere reserve project executed by MONRE has been added to the baseline section, and its interactions with this proposed project noted.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please address the comments of the second comment box on table B in the description of the alternative scenario as well. Please do so while clarifying how the outputs provide an increment compared to the related elements of the baseline (e.g. increment provided by output 1.3 compared to the ADB project on conservation corridors, increment provided by output 3.1 compared to the work on frameworks to mainstream biodiversity in natural use sectors under the GEF UNDP project GEF ID 9361).

Agency Response

UNDP Response, 14 April 2020

The formulation of outputs and description of the alternative strategy has been revised as described earlier. The increment of the project strategy has been revised in the PIF in sections on incremental cost reasoning and global environmental benefits (Section 1a – (5) and (6)).

With regards to the specific questions on increment over baseline projects:

Output 1.3 will be incremental to the ADB project on conservation corridors as it will operate in different provinces with a different approach that supports the requirements of the 2017 Forestry and Planning Laws (e.g. capacity to implement SFM plans and identify/deliver biodiversity conservation activities within those plans; spatial inputs on biodiversity conservation priorities and assets for provincial master planning and district land use planning). The ADB project will provide useful lessons and approaches to inform this project. For example, the ADB project established national corridor guidelines that can inform the development of the project's landscape-level strategy along with an approach for mapping services within biodiversity corridors. Further the ADB project efforts on engaging communities in forest management and provision of livelihoods support will also provide lessons and guidance to inform detailed design of activities during the PPG phase.

Output 3.1 will be incremental to the MONRE biosphere project as that project will work on broader policy/regulatory review and reform under the Biodiversity Law targeting biosphere reserves, and this proposed project will focus on targeted guidance and regulations to support the implementation of the Forestry Law (on Special Use Forests, Protection Forests, Production Forests). As the Forestry Law has been recently revised and adopted the focus will be on targeted regulations and guidance to improve its implementation. There are some areas of overlap where the projects can coordinate to develop aligned guidance in support of both legal frameworks, e.g. interaction with land use planning, HCVF protection. Due to the significant potential for coordination and exchange, they are proposed to be represented on each other's Project Board/Technical Advisory Committee.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please see comment in the first comment box.

Agency Response

UNDP Response, 14 April 2020

As per earlier comments, the project outputs have been revised to better align to GEF-7 programming directions for biodiversity. Along with strengthening alignment to BD-1-1, the project also now explicitly targets enhanced PA management and this alignment to BD-2-7 has been brought into the PIF. The alignment of the project to the biodiversity focal area has been revised in Section 1a (4).

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

As commented above, the increment provided by the GEF project compared to national obligations and the very strong baseline of the project is not clear. Please revise.

Agency Response

UNDP Response, 14 April 2020

The incrementality of the project over baseline has been revised and better articulated in the PIF, as outlined above. This is clarified in Section 1a (5) and (6) of the PIF.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

The targeted scale of impact is relatively small (ca. 156,000 ha) given the baseline and co-funding and thus achievable.

Please see comment on core indicator 6 above.

Agency Response

UNDP Response, 14 April 2020

Core indicator 6 has been revised, as noted above.

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please consider revising the innovation section of the PIF. The identification of HC VF and the dissemination of best practices can not be considered as innovative.

Comment on subsequent box on map and coordinates, which is experiencing technical difficulties:

Thank you for the maps. Please provide coordinates.

Agency Response

UNDP Response, 14 April 2020

The innovation section of the PIF has been revised.

Coordinates for the project area were omitted in error from the portal submission and are now included.

Project/Program Map and Coordinates

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

Agency Response

Stakeholders

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes, cleared.

Agency Response

Gender Equality and Women's Empowerment

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

We note the intention to carry out gender analysis and develop a gender mainstreaming plan during PPG. While there is an output already targeting gender equality (output 2.3), gender is not yet mainstreamed in the project and the language is mostly generic in the section dedicated to gender equality. Please elaborate on the specific context of the project.

Agency Response

UNDP Response, 14 April 2020

The gender section has been elaborated to better outline the specific gender context of the project and the specific gender mainstreaming approaches that the project will pursue. These include targeted livelihoods development opportunities for women in forest-dependent communities including the establishment of grassroots women's groups; the empowerment of women to participate in governance and decision-making bodies including the setting of mandatory gender participation targets; ensuring adequate engagement and participation of women in stakeholder consultations (including FPIC as needed) including separate consultation processes and meeting timing/location decisions that allows for women's engagement and provides a supportive environment for their inputs (e.g. separate consultations on technical issues where their awareness or self-confidence may be lower than men); targeted training, awareness-raising and/or capacity development for women including on biodiversity monitoring, planning and PFES (these opportunities will be extended to women's groups and relevant CSOs operating in the project landscape); integrating women's rights and safeguards into the community co-management model for allocation of forestlands to village communities to ensure benefits flow equally to men and women; and ensuring that the PMU and project partners receive gender mainstreaming awareness training. These will be informed by the completion of a gender analysis during the PPG phase and defined in the gender mainstreaming plan that will also be completed during PPG.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please clarify what is meant by “engage the private sector in order to enhance the productivity of natural forests” when, according to the PIF, there is a ban on harvesting in natural forests in the Central Highlands.

Agency Response

UNDP Response, 14 April 2020

The text has been revised to better reflect the proposed private sector engagement in the project. The reference to ‘productivity’ has been replaced with conservation and management of natural forests to better reflect the situation in the project landscape and target FMUs.

Risks

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

We note the revisions to the risk assessment, notably that no physical displacement is to be expected under the project.

We note that the project has still a high-risk rating. Please ensure final project submission adheres to the GEF ESS policy. The project will notably have to assess its potential impacts on access and rights of IPLCs. By the time of CEO endorsement please ensure that UNDP’s safeguard policies are applied in full, including FPIC, and provide the documentation as an annex.

JS -3/30/2020

As per the Guidelines on the GEF Policy on Environmental and Social Safeguards, please also provide the overall project/ program risk classification. We note it is rated as High in the attached Social and Environmental Screening.

Please expand the acronyms in the PIF (ESMF, ESIA, ESMP).

Please clarify to which output corresponds the “analysis of financial incentives and market forces affecting forest ecosystems in the Ba river landscape” proposed as a mitigation measure in the first row of the table. Output 2.4 is only about the effective use of existing financial mechanism.

Please clarify the risks related to the forest land allocation program on land tenure arrangements/rights to land and resources. Please notably clarify what is meant by the risk “*will not be triggered by project activities through GEF funds but may still occur through government co-financed activities through the government’s ongoing land allocations program.*” (seventh row). Would this potentially occur in the sites targeted by the project or in other sites? Please clarify in the latter case if it is nonetheless intended that “*the project will offer technical support to review and strengthen government resettlement/ displacement plans to ensure that they adhere to UNDP standards.*” Please clarify why land tenure / land rights would not be affected by the rest of the project when the project description states that “*There are many areas where management and/or ownership are not clear—a situation that can lead to conflicts. These issues have significant impacts on forest management in the project area.*”

Agency Response

UNDP Response, 14 April 2020

The SESP pre-screening categorization has been added to the PIF and acronyms expanded.

The first risk has been deleted as this had been retained in error from an earlier draft.

The risk related to potential displacement/resettlement of communities through enhanced PA management and new PA establishment has been revised in accordance with the PIF revisions. The project activities that could lead to displacement risks are now more clearly outlined. The project will not fund resettlement and no resettlement is expected under co-financed activities. However, this will be reassessed further during PPG as activities are developed. UNDP SES policy requires that (i) SESP risk identification is done broadly capturing risks under co-financing that are within the project sphere of influence; (ii) existing relevant government plans linked to co-financed safeguards risks adhere to UNDP standards on resettlement. Therefore should any voluntary resettlement be proposed the government’s resettlement plans would be reviewed by UNDP to confirm they meet UNDP standards. The project’s SESP pre-screening has been revised accordingly. In addition, a new risk on potential conflict escalation and safety-related risks through site-based patrolling and surveillance has been added to the PIF and SESP pre-screening in line with the PIF revisions.

Coordination

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/15/2020

Yes, cleared.

JS -3/30/2020

Please revise to be consistent with GEF's terminology: FIPI is the *executing* partner.

Please be more specific of coordination mechanism put in place (Steering committee? Others? Gathering which entities?).

As the agency knows, the implementation and execution roles on GEF projects are meant to be separate per policy and guideline. The GEFSEC will analyze any requests for dual role playing by an agency at the time of CEO endorsement and only approve those cases that it deems warranted on an "exceptional" basis. We strongly encourage the agency to look at third party options as a preferred way forward. We also strongly encourage the agency to discuss any and all options for execution that do not include the government with the GEFSEC early in the PPG phase. The technical clearance of this PIF would in no way endorse any alternative execution arrangement.

Please list in this section of the PIF all the projects with which this project is intending to coordinate, not just a subset.

Agency Response

UNDP Response, 14 April 2020

Terminology on institutional arrangements has been revised to use GEF terms, and the proposed coordination mechanisms outlined. These will include the Project Board/Steering Committee, which will be chaired by FIPI and comprise key project partners and stakeholders at national and provincial level, a technical advisory consortium, project-to-project coordination between respective Project Managers/Project Managements, facilitated coordination through common executing/supporting partners, and coordination on lessons learned and knowledge exchange through the project's knowledge management approach. Specific mechanisms will be confirmed during the PPG phase when detailed project design is finalized. The list of projects for coordination has been expanded – note that not all of those listed in the baseline section had been included as some of these are expected to be operationally closed by the time this project commences implementation. For completeness, key projects that will offer coordination opportunities during the PPG phase have also been included. Specific project coordination arrangements will be confirmed during the PPG.

The comments on execution roles are well-noted. As detailed in the PIF, should the Government of Viet Nam identify a need for executing support third-party options will be identified and assessed during the PPG.

Consistency with National Priorities

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes cleared.

Agency Response

Knowledge Management

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

Yes cleared.

Agency Response

Part III – Country Endorsements

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

Secretariat Comment at PIF/Work Program Inclusion

JS -3/30/2020

The LOE provided is valid. Cleared.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

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

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

GEFSEC DECISION

RECOMMENDATION

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/16/2020

Yes, the PIF is recommended for clearance.

JS 4/15/2020

Please revise component 2's name in table B to make it consistent with the rest of the revised PIF.

JS -3/30/2020

Not at this stage. Please address above comments and resubmit.

ADDITIONAL COMMENTS

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

Secretariat Comment at PIF/Work Program Inclusion

JS 4/16/2020

Please during PPG, pay particular attention to

- collaboration with the strong baseline projects identified in the PIF;
- In the project's contribution to the improve existing PFES scheme, to the root causes of its current weaknesses (see Trædal et al. 2016. Forest Policy and Economic 62:109-117) and make use of STAP's advisory document : <http://stapgef.org/sites/default/files/stap/wp-content/uploads/2013/05/Payments-for-Environmental-Services-and-GEF.pdf>
- The project up-scaling strategy and contributions beyond target landscapes.

Please ensure final project submission adheres to the GEF ESS policy. By the time of CEO endorsement please ensure that UNDP’s safeguard policies are applied in full, including FPIC, and provide the documentation as an annex.

Review Dates

	PIF Review	Agency Response
First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

The objective of this BD-LD MFA project is to conserve forest biodiversity and maintain or improve the flow of ecosystem services through sustainable forest management embedded in a coordinated landscape-level approach across the Ba River basin of Viet Nam.

Viet Nam’s natural forests are of outstanding global importance for the achievement of climate, land degradation and biodiversity international commitments. Forest cover has globally increased in recent years in Viet Nam, rising from 28% in 1993 to more than 41% in 2017. But most of these gains are due to forest plantations, which rarely constitute habitat for globally significant biodiversity and provide a narrow range of ecosystem services, and deforestation continues in some regions. Deforestation notably continues in the project target landscape, the Central Highlands, which hosts some of the largest remaining patches of natural forest in the country. Conserving natural forests in the Central Highlands and maintaining or enhancing their connectedness is thus a priority. Vietnamese forests are also suffering from the “empty forest” syndrome, whereby poaching and non-selective hunting techniques are draining these ecosystems from their wildlife.

The project has three components. Under component 1, the project will support the mainstreaming of biodiversity and ecosystem services into landscape-level planning, monitoring and enforcement. It will notably establish multi-stakeholder platforms at the provincial level, develop spatially explicit conservation and restoration strategies, put in place state-of-the art forest cover monitoring systems and enhance coordination on wildlife and forest offences. Component 2 will contribute to on-the-ground conservation of globally significant biodiversity and ecosystem services through, among other things, community-based conservation, improved enforcement, biodiversity-friendly livelihood development, restoration of wildlife corridors and redelineation of protected areas (substitution of degraded, inhabited forest with less disturbed forests). Component 3 will mainstream biodiversity in forest policy and regulation as well as contribute to replication in other important forest landscapes of Viet Nam and knowledge exchange.

The project will create 10,000 ha of new protected areas (PA), improve management effectiveness of an additional 71,088 ha of PAs and an additional 74,485 ha of land outside PAs, and restore 500 ha of forests. These interventions will contribute to avoiding the emission of close to 1.6 million tCO₂eq. The number of co-beneficiaries is estimated at 3,000, including 1,500 women.

The project will build on a strong baseline and leverage \$22,470,000 in co-financing (1:9 ratio), mostly new investment mobilized (1:7.9). By building awareness and capacities in their use, the project will integrate available real-time remote sensing and GIS technology into decision making at site, landscape and provincial levels. It will demonstrate a new approach to landscape level planning by bringing together the various stakeholders within Ba River basin landscapes, and integrating biodiversity into planning at both a finer scale (forest management unit) and broader planning processes (via technical inputs for provincial master plans and spatially-explicit district land use plans). The project's work to better integrate biodiversity and maintenance of ecosystem services into macro-level planning processes will have implications for forest management at the national level, while targeted policy and regulatory improvements will strengthen prevention and enforcement of forest offences across Viet Nam.