



ADAPTATION FUND

AFB/PPRC.28/34
4 October, 2021

Adaptation Fund Board
Project and Programme Review Committee
Twenty-Eighth Meeting
Bonn, Germany (Virtually held) 11-13 October 2021

Agenda Item 9 c)

PROPOSAL FOR INNOVATION LARGE GRANT FOR VIET NAM

Background

1. At its thirtieth meeting, having considered document AFB/B.30/5/Rev.1, the Adaptation Fund Board (the Board) decided:

(a) To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and

(b) To request the secretariat:

(i) To broadly disseminate the MTS and work with key stakeholders to build understanding and support;

(ii) To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and

(iii) To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.

(Decision B.30/42)

2. Pursuant to decision B.30/42, subparagraph (b) (ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

3. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

4. At its thirty-first meeting, the Board discussed the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

(a) To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);

(b) To request the secretariat:

[...]

- (iii) *To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board's committees;*
- (iv) *Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund's operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and*

[...]

(Decision B.31/32)

5. At the -second session of its thirty-fifth meeting, the Board considered document AFB/PPRC.26.b/16 , *Program on Innovation: Large Grants for Innovation*, and the Board decided:

- (a) *To approve the process for providing funding for innovation through large grants to Implementing Entities (IEs) as described in document AFB/PPRC.26.b/16; including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in the document;*
- (b) *That the large grants for innovation would fall outside the country cap approved by the Board in decision B.13/23 or, in the case of regional or multi-regional proposals, the regional provision, whereas they would count against the Multilateral Implementing Entity cap as per decision B.12/9;*
- (c) *To request the secretariat to prepare the first Request for Proposals to IEs for a total amount of US \$30 million to be launched by the first quarter of calendar year of 2021; and*
- (d) *To request the secretariat to consider the need to develop specific objectives and indicators for the innovation aspects of the projects, beyond what is included in the regular project performance reporting process and make relevant recommendations to the Board at its thirty-seventh meeting.*

(Decision B.35.b/8)

6. At its thirty-sixth meeting, the Board considered the document AFB/PPRC.27/28, *Programme on Innovation: Operationalization of Large Grants for Innovation*, and the Board decided:

- (a) *To approve the Innovation Large Grant Project Proposal template, the Review Criteria template and the Instructions for Preparing a Proposal for Innovation Large Grants, as described in annexes II, III and IV to document AFB/PPRC.27/28;*

(b) To launch the request for proposals so that submissions of Innovation Large Grants proposals are invited to be considered as early as the thirty-seventh meeting of the Board.

(Decision B.36/24)

7. Subsequently, the first call for project and programme proposals under the indicative set-aside amount of US\$ 30 million was issued to eligible Parties to submit innovation large grant project and programme proposals to the Fund through accredited NIEs, RIEs and MIEs.
8. The following project concept proposal document titled “Promoting Financial Incentive Mechanisms for Community-Based Sustainable Coastal Wetland Management in Vietnam (CM-FIM)” was submitted for Viet Nam by the International Fund for Agricultural Development (IFAD) which is a Multilateral Implementing Entity of the Adaptation Fund.
9. This is the first submission of the proposal, using the two-step submission process.
10. The current submission was received by the secretariat in time to be considered in the thirty seventh Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the Project ID number AF00000274, and completed a review sheet.
11. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with IFAD and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.
12. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25/15, the proposal is submitted with changes between the initial submission and the revised version highlighted or with track changes.



ADAPTATION FUND



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**ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW
OF PROJECT/PROGRAMME PROPOSAL**

PROJECT/PROGRAMME CATEGORY: Innovation Single Country Project Concept

Country(ies)/Region:	Viet Nam
Project Title:	Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Vietnam (CM-FIM)
Thematic Focal Area:	Financial Instruments, Coastal Zone Management/ Innovation
Implementing Entity:	International Fund for Agricultural Development (IFAD)
Executing Entities:	Ministry of Natural Resources and Environment (MONRE)
AF Project ID:	AF00000274
IE Project ID:	
Reviewer and contact person:	Saliha Dobardzic
IE Contact Person:	
	Requested Financing from Adaptation Fund (US Dollars): 5,000,000
	Co-reviewer(s): Eleanor Saunders, Alyssa Gomes

Technical Summary

The project “Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland” aims to reduce the vulnerabilities of rural communities to adverse impacts of climate change through enhancing coastal wetland management with a focus on community-based co-management of mangrove forests and associated ecosystem services in Tra Vinh and Ben Tre provinces of Vietnam. The overall goal will be achieved through two specific objectives:

1. Roll out of successful innovative green financial incentive mechanisms for the benefits of actors engaged in coastal wetland management, including local communities;
2. Scale up of viable innovations for sustainable and climate resilient coastal wetlands management.

This will be done through the three components below:

Component 1: Enabling policy environment for adaptive coastal wetland management (USD 1,000,000).

	<p><u>Component 2:</u> Up-scaling of innovative adaptation practices in coastal wetland management (USD 3,000,000)</p> <p><u>Component 3:</u> Knowledge Management (KM) for adaption policy impact (USD 300,000).</p> <p><u>Requested financing overview:</u> Project/Programme Execution Cost: USD 332,000 Total Project/Programme Cost: USD 4,632,000 Implementing Fee: USD 368,000 Financing Requested: USD 5,000,000</p> <p>The initial technical review raised several issues, such as the general lack of detail or specificity in the key components listed necessitating further clarification on the project design, innovation rationale and type, community role, inclusion and stakeholder consultations, among others, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CAR) raised in the review.</p> <p>The final technical review found that, while some of the issues previously identified have been adequately addressed, there are many that require further action or clarification, including on the innovativeness of the proposal, consultations and interlinkages with the innovation stakeholders, and knowledge management, including targeted capacity building on innovation, and alignment with the ESP principles or risk screening. As a general comment, please note that the proposal should be presented in the template that has not been modified, or, in several instances, with sections deleted (including the sections on innovation and section on endorsement by the Government of Viet Nam.)</p>
Date	3 October 2021

Review Criteria	Questions	Initial Review Comments	Final Review Comments
Country Eligibility	1. Is/are the beneficiary country/countries a developing country/countries Party/Parties to the Kyoto Protocol?	Yes.	-
	2. Is the participating country / are all participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Yes, on pages 1-3. Viet Nam is highly vulnerable to climate change, particularly flooding and tropical storms.	-
Project Eligibility	1. Has the designated government authority for the Adaptation Fund / Have the governments' designated authorities for the Adaptation Fund endorsed the project?	Yes, an endorsement letter dated June 8 th , 2021 has been received.	-
	2. Does the project/programme support concrete adaptation actions to assist the country or countries in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience? In case of regional project/programme, is there added value using the regional	Yes. The overall objective of the project is to reduce the vulnerabilities of the rural communities by enhancing coastal wetland management with a focus on community-based co-management of mangrove forests and associated ecosystem services in Tra Vinh and Ben Tre provinces.	-

	approach, compared to implementing similar activities in each country individually?		
	<p>3. Does the project/programme help spread innovative adaptation practices, tools and technologies that have demonstrated success in one country to another country, countries or regions; and/or Does the project/programme pilot at larger scale innovative adaptation practices, tools or technologies generated that have demonstrated viability at a small scale?</p>	<p>Needs further development.</p> <p>The proposal explicitly highlights two Innovation mechanisms:</p> <ul style="list-style-type: none"> - Roll out (of successful innovative green financial incentive mechanisms) - Scale up (of viable innovations for sustainable and climate resilient coastal wetlands management) <p>It is based on prior knowledge that has been built from other projects, enabling it to start at the 'development and diffusion' stage of the innovation pathway, as is appropriate for a large grant. The project does offer potential for innovation; however, it is not clear in the current proposal how it is embedded in each of the components, or how it becomes a coherent innovation pathway and it could be further drawn out and detailed to strengthen the innovation understanding presented. The financial incentives mechanism subcomponent appears promising, but critical detail on how exactly it would involve and benefit the local communities is missing.</p> <p>CR1: Kindly clarify the innovation pathway and explicitly identify mechanisms to further develop the proposal as an innovation proposal.</p>	<p>Not clear.</p> <p>The proposal seems to be missing section B entirely ("<i>B. Describe how the project /programme would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies, and mechanisms.</i>") and section C, ("<i>C. Describe how the project/programme aims to roll out successful innovative adaptation practices, tools, and technologies and/or describe how the project aims to scale up viable innovative adaptation practices, tools, and technologies.</i>")</p> <p>CR1: Not cleared.</p> <p>The mechanisms to be deployed in this concept are more clearly outlined in the resubmission and the components have been strengthened both in the concept and in the annexes. P16 provides more clarity on the practice (new practices) selection process for building evidence-based approaches to wetlands management. A system of identification, review, and selection is proposed. Further detail is provided in annex 3.</p> <p>While clarity is provided of different possible replication processes there is not currently space for the adaptation of processes to new</p>

		<p>It is unclear whether the project aims to establish a mechanism or a process that would help promote or enable the emergence of innovation action or options, or whether it will solely scale-up already proven innovative actions.</p> <p>CR 2: Please clarify, elaborating the proposal where needed, on whether the project aims to establish a mechanism or a process that would help promote or enable the emergence of innovation action or options, or whether it will solely scale-up already proven innovative actions.</p> <p>It is unclear to what extent local communities will have a role in selecting or devising adaptation actions, and whether the proposed innovative initiatives or menu of such initiatives will be co-created with the communities.</p> <p>CR3: Please clarify to what extent local communities will have a role in selecting or devising adaptation actions, and whether the proposed innovative initiatives or menu of such initiatives will be co-created with the communities.</p> <p>CR4: Please clarify how the project will aim to bring especially vulnerable groups and stakeholders such as women and youth into the process of interventions design and/or innovation.</p>	<p>areas or continued co-development and co-management. The nature of an innovation is also in its adaptive replication and the proposals innovation focus could be strengthened here.</p> <p>CR2: Not cleared.</p> <p>Annex 3 describes the selection process for management practices; however it is unclear how innovation is going to be reflected as a core component of selection. The proposal does not, for example, describe or justify novelty or newness of the practice for the area, modification of the practice to match its context, potential impact, reduction in vulnerability or risk, capacity to scale. (It is noted that capacity to scale could be considered to already be included in the headings replication and also market assessment, however it is not explicit).</p> <p>CR3: Cleared.</p> <p>The project planning process is built on the existing SEDP mechanism, institutionalized through previous IFAD-funded national projects. Mechanisms that ensure participation of stakeholders, including FPIC, consultation, participation, grievance redress, M&E, are addressed in the SEDP manual. Details of the planning and implementation process and how local communities are engaged have been elaborated in the</p>
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			<p>updated proposal and will be further developed during the design. (<i>PART II: Project Justification</i> of the updated proposal.)</p> <p>CR4: Cleared. Vulnerable groups, including the poor, ethnic minorities, women, boys and girls, are the project's direct beneficiaries. To ensure greater participation and social inclusion of the project's main target groups, a combination of direct targeting and self-targeting methods will be set in place. While project activities are of interest to all target groups (self-targeting) in the intervention area, the direct targeting methods will ensure the participation and identification of activities to reach the most vulnerable groups: women, youth and ethnic minorities, through social awareness, capacity building training programmes, planning, and direct support to co-management activities to enable more equitable benefit sharing and a pathway to reduce workloads, promoting decent employment opportunities, cope with climate change and improve local livelihoods. (<i>Part I, section A. Project Background and Context, pages 3-5, and Annex 4 – Gender and Youth Assessment</i> of the updated proposal.)</p>
	Does the project/programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while	Not cleared. The project appears it will provide economic, social, and environmental benefits, and a good general description is provided on page 9. A clear comparison of the expected benefits to the baseline situation in the target areas is missing and would be	<p>CR10: Cleared. An Economic and Financial (EFA) analysis will be conducted at the proposal design stage. It is expected that the project will generate direct and indirect economic benefits. The economic, social, and environmental benefits have been elaborated</p>

	<p>avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>helpful. Furthermore, it is not clear how the vulnerable communities, and women and girls specifically, would benefit economically and socially.</p> <p>CR10: Please include a clear presentation of the expected benefits to the communities in comparison to baseline situation.</p> <p>CR11: Please elaborate and clarify how the innovative financial mechanisms will work, specifically whether and how they will provide economic benefits to the communities.</p>	<p>in the proposal (Section <i>B. Economic, Social and Environmental Benefits</i>, pages 13-15), but a detailed breakdown and quantification of benefits by target group and investment type will be elaborated during the proposal design.</p> <p>CR11: Not cleared. The CM-FIM will facilitate and mobilize the existing financial services reaching out to project beneficiaries and will initiate innovative financial mechanisms that have been tested by IFAD in other regions including matching grant from farmer groups, financial incentives for enterprises, PFES, and carbon trading. (<i>Part II: Project Justification, section A, Sub-component 2.2 (output 2.2)</i> of the updated proposal.) However, it is not clear why or how some of the mentioned elements are innovative, such as mobilizing the existing financial services, matching grants, financial incentives, etc. It is not well justified in the proposal how these are not well-established financial tools that could be employed without the use of funding dedicated to innovation in adaptation.</p>
	<p>4. Does the project engage, empower and/or benefit the most vulnerable communities and social groups?</p>	<p>Not cleared. In line with the comments previously made, it seems that the project aims to benefit the vulnerable communities, but it is unclear how exactly, and whether and to what extent the communities will be engaged and empowered. Further, the socioeconomic/demographic description of</p>	<p>CR12: Cleared. Further information has been provided in Part I, section <i>A. Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i>.</p>

		<p>the target communities is lacking.</p> <p>CR12: Please provide further detail on the target communities, in terms of the socioeconomic and demographic descriptions and figures.</p>	
	<p>5. Does the project advance gender equality and the empowerment of women and girls?</p>	<p>Not cleared.</p> <p>The project will actively seek to transform gendered power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to women's and girls' inclusion and empowerment. Activities will be implemented with an explicit gender focus, engaging women and young people fully as participants and beneficiaries by establishing membership and/or leadership quotas (50% women and 30% youth) in activity groups, as well as by adopting enabling measures including training approaches that increase their participation.</p> <p>CR13: Please clarify whether the age-category distribution will be gender-balanced.</p> <p>CR14: Please clarify if an initial gender assessment was completed and please annex the document to the project proposal.</p>	<p>CR13: Cleared.</p> <p>This has been addressed, particularly in Part I, section A. <i>Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i>.</p> <p>CR 14: Cleared.</p> <p>An initial gender and youth assessment was completed and its results are provided in Annex 4 (<i>Gender and Youth Assessment</i>).</p> <p>As discussed in Part I, section A. <i>Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i>.</p>
	<p>6. Is the project/programme cost-effective?</p>	<p>Not cleared.</p> <p>CR 15: Please provide information on</p>	<p>CR 15: Cleared.</p> <p>Information has been provided under <i>Part II</i>,</p>

	In the case of regional project/ programmes, does the regional approach support cost effectiveness? Does the project engage, empower and/or benefit the most vulnerable communities and social groups?	project cost-effectiveness.	<i>section C. Cost-effectiveness</i> of the updated proposal. A detailed analysis of the cost-effectiveness of the proposed project will be conducted at full-proposal design phase (being an international financial institution, IFAD will conduct a very accurate cost-effectiveness analysis during the design).
	7. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	Yes. The project is in line and consistent with major relevant national strategies and programmes, and is expected to support the Sustainable Development Goals (SDG), especially SDG 1 (end poverty), SDG 2 (zero hunger), SDG 5 (gender equality), and SDG 13 (climate action). (Page 8)	-
	8. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	No. CAR 2: Please list the relevant technical standards that might apply.	CAR 2: Cleared. The relevant technical standards have been listed under Part II, section <i>E. National Technical Standards and Environmental Social Policy</i> of the updated proposal. By fully developed proposal stage, a more detailed analysis, including how the projects meets the technical standards, should be presented.

	9. Is there duplication of project/programme with other funding sources?	<p>Not clear.</p> <p>CR14: Please provide information on other relevant interventions and briefly explain for each how duplication will be avoided, as well as discussing relevant synergies wherever possible.</p>	<p>CR14: Not cleared.</p> <p>Incomplete information is provided in Part II, Section <i>F. Duplication</i>. The potential for cooperation and partnerships with complementary ongoing and upcoming initiatives has been highlighted in the updated concept note. However, no other projects or relevant initiatives have been mapped out. Please note that key and relevant regional, national or sub-national sectoral, financial and innovation programmes and other efforts should be listed and the justification for complementarity and lack of duplication individually listed.</p>
	10. Does the project/programme have a learning and knowledge management component to capture and feedback lessons?	<p>Not cleared.</p> <p>Component 3 leverages the knowledge management system to allow for scaling of activities through participatory processes throughout the project for knowledge transfer and scaling capacity. Scaling is an important part of innovation and seems to be well embedded here. However, more detail would be useful, and it is currently unclear the project will aim to establish or deploy any innovative KM practice, for example.</p> <p>CR15: Please provide more detail on the learning and knowledge management component.</p>	<p>CR 15: Not cleared.</p> <p>Further details on KM will be elaborated at full-proposal design stage, including also key aspects of the expected KM strategy and KM plan template. Additional information has been provided in Part II, section <i>A. Project components promoting new and scaling-up viable innovative solutions to climate change adaptation</i>, component 3.</p> <p>However, related to this, tailored capacity building is described in p16, however it remains unclear how the capacity building will be tailored to support innovation. Currently the text describes a straightforward programme of building up knowledge, however it does not provide the concept that</p>

			in an innovative capacity building environment there may need to be two-way exchanges, development of the material for local context, and lay to specialist managed interactions. In reality the capacity building may need to be highly tailored depending on the outcomes of 1.1.
	11. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>No.</p> <p>No information on a consultative process is provided</p> <p>CAR3: Kindly provide consultation reports (including those conducted with women and identified vulnerable groups) in an Annex to the proposal. Virtual consultations are acceptable.</p> <p>CR16: Please clarify the outcomes of initial consultations and how they have been considered in the project design.</p> <p>Please note that <u>at the concept stage, an initial consultative process must take place, with key stakeholders of the project/programme.</u> Depending on the level of involvement of local communities or governments, private sector, CSOs or universities/research centers in the execution of the project/programme, those stakeholders may or may not be consulted at the concept stage. In project/programme target areas where minority groups and indigenous peoples have been identified, they should be consulted at the concept stage and their</p>	<p>CAR3: Cleared.</p> <p>Further information has been provided in <i>Annex 5: Consultation report for the development of the CM-FIM and list of people and institutions consulted</i> in the updated concept note.</p> <p>CR16: Not cleared.</p> <p>Further information has been provided in <i>Annex 5: Consultation report for the development of the CM-FIM and list of people and institutions consulted</i> in the updated concept note. However, a notable omission includes apparent lack of consultation of the stakeholders in the innovation ecosystem of Viet Nam.</p>

		interests or concerns considered when designing the proposal.	
	12. Is the requested financing justified on the basis of full cost of adaptation reasoning?	<p>Not cleared.</p> <p>CR17: Please clarify if project envisages co-financing. In that case, clarify that the Adaptation Fund project would be able to deliver its outcomes and outputs regardless of the success of the other project(s).</p>	<p>CR17: Not cleared.</p> <p>At this stage, there is no confirmation of co-financing, which is anyway not a requirement of the Adaptation Fund. However, it is not clarified in the proposal whether the project is viable without securing co-financing.</p>
	13. Is the project / program aligned with AF's results framework?	<p>Yes.</p> <p>Please note that, during the fully-developed proposal stage, the project's framework must align with the outcome on the innovation in the Adaptation Fund revised strategic results framework (current version: https://www.adaptation-fund.org/wp-content/uploads/2019/10/Adaptation-Fund-Strategic-Results-Framework-Amended-in-March-2019-2.pdf)</p>	-
	14. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p>Not cleared.</p> <p>The sustainability of the project is not elaborated upon in the proposal. It is particularly important in the case of Component 2. It is not clear how the private sector will be involved, and what the prospects for sustainability would be for this kind of involvement.</p> <p>CR18: Please clarify sustainability of the</p>	<p>CR 18: Cleared</p> <p>Project sustainability and private sector engagement have been strengthened throughout the updated concept note especially in Component 2 and further information is provided in Part II, section <i>I. Sustainability</i> of the updated proposal.</p> <p>IFAD has rich experience in the Viet Nam portfolio engaging with private sector in</p>

		components, particularly the second component (with the emphasis on the financial incentives mechanisms) and the private sector partner involvement.	agriculture development through promotion of public-private-producer partnership (4P) modality arrangements. The CM-FIM will build on IFAD experience through engagement of private sector in developing and upgrading mangrove forest related products (e.g. honey, medicinal herbs, and aquaculture).
	15. Does the project /programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Not cleared.</p> <p>The project provides a good overview of environmental and social impacts, and, as mentioned above, if available, an initial gender assessment should be provided. However, the project is not categorized.</p> <p>Also, given the lack of detail on key aspects of the project components, there may be risks that are currently not apparent. Further, it is unclear whether the management practices may come with any risks to the natural environment, triggering risks in relation to natural habitats or biodiversity conservation principles, for example.</p> <p>CR19: Please provide a categorization of the project (A, B or C). Please review the ESP matrix upon revision and elaboration of the proposal, as other risks might become apparent.</p> <p>CR 20: Please provide and initial gender assessment, if available. It should ideally</p>	<p>CR19: Not cleared. The categorization of the project could not be located in the proposal. The ESP matrix has not been filled out correctly. Please refer to the ESP Guidance on how to fill out that section appropriately.</p> <p>Please note that the proposal must conform to the Adaptation Fund's ESP and GP (i.e. not IFAD's). Please ensure that the proposal correctly refers to the Adaptation Fund's policies (as opposed to IFAD's, please see first paragraph under Part II, A. <i>Project components promoting new and scaling-up viable innovative solutions to climate change adaptation</i></p> <p>CR20: Cleared. The proposal includes an initial gender and youth assessment. Reference is made in Part I, section A. <i>Project Background and Context</i>, and Annex 4 – <i>Gender and Youth Assessment</i>.</p> <p>At full-proposal design stage, a fully detailed assessment with qualitative and quantitative</p>

		provide qualitative and quantitative data for gender roles, activities, needs, and available opportunities and challenges or risks for men and women. If it is not available, please justify and outline the next steps (e.g. during project development.)	data for gender roles, activities, needs, and available opportunities and challenges or risks for men and women will be conducted in line with both AF and IFAD gender policies and tools as indicated in the updated proposal.
Resource Availability	1. Is the requested project funding within the parameters for large grants set by the Board?	Yes.	-
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project budget before the fee? Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)? For regional projects/programmes, are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 20 per cent of the total project/programme budget?	Yes. The Implementing Entity Management fee is 7.4%. The Execution costs are at 7.2%.	-
Eligibility	1. Is the project submitted	Yes. IFAD is an accredited IE of the AF.	-

of IE	through an Implementing Entity accredited by the Board?		
Implementation Arrangements	1. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund? Proponents are encouraged to refer to the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.	n/a at concept stage	
	2. Are there measures for financial and project/programme risk management	n/a at concept stage	
	3. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage	
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a at concept stage	
	5. Is an explanation and breakdown of the	n/a at concept stage	

	execution cost included?		
	6. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a at concept stage	
	7. Is the timeframe for the proposed activities adequate?	n/a at concept stage	
	8. Is a summary breakdown of the budget for the proposed activities included?	n/a at concept stage	
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a at concept stage	
	10. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage	



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**ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW
OF PROJECT/PROGRAMME PROPOSAL**

PROJECT/PROGRAMME CATEGORY: Innovation Single Country Project Concept

Country(ies)/Region:	Viet Nam
Project Title:	Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Vietnam (CM-FIM)
Thematic Focal Area:	Financial Instruments, Coastal Zone Management/ Innovation
Implementing Entity:	International Fund for Agricultural Development (IFAD)
Executing Entities:	Ministry of Natural Resources and Environment (MONRE)
AF Project ID:	AF00000274
IE Project ID:	
Reviewer and contact person:	Saliha Dobardzic
IE Contact Person:	
	Requested Financing from Adaptation Fund (US Dollars): 5,000,000
	Co-reviewer(s): Eleanor Saunders, Alyssa Gomes

Technical Summary	<p>The project “Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland” aims to reduce the vulnerabilities of rural communities to adverse impacts of climate change through enhancing coastal wetland management with a focus on community-based co-management of mangrove forests and associated ecosystem services in Tra Vinh and Ben Tre provinces of Vietnam.</p> <p>The overall goal will be achieved through two specific objectives:</p> <ol style="list-style-type: none"> 3. Roll out of successful innovative green financial incentive mechanisms for the benefits of actors engaged in coastal wetland management, including local communities; 4. Scale up of viable innovations for sustainable and climate resilient coastal wetlands management. <p>This will be done through the three components below:</p> <p><u>Component 1:</u> Enabling policy environment for adaptive coastal wetland management (USD 1,000,000).</p> <p><u>Component 2:</u> Up-scaling of innovative adaptation practices in coastal wetland management (USD 3,000,000)</p> <p><u>Component 3:</u> Knowledge Management (KM) for adaption policy impact (USD 300,000).</p> <p><u>Requested financing overview:</u> Project/Programme Execution Cost: USD 332,000 Total Project/Programme Cost: USD 4,632,000</p>
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	Implementing Fee: USD 368,000 Financing Requested: USD 5,000,000 The initial technical review raises several issues, such as the general lack of detail or specificity in the key components listed necessitating further clarification on the project design, innovation rationale and type, community role, inclusion and stakeholder consultations, among others, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CAR) raised in the review.
Date	3 September 2021

Review Criteria	Questions	AF Comments (3 Sep 2021)	IFAD Response (10 Sep 2021)
Country Eligibility	3. Is/are the beneficiary country/countries a developing country/countries Party/Parties to the Kyoto Protocol?	Yes.	Noted, thank you.
	4. Is the participating country / are all participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Yes, on pages 1-3. Viet Nam is highly vulnerable to climate change, particularly flooding and tropical storms.	Noted, thank you.
	16. Has the designated government authority for the Adaptation Fund / Have the governments' designated authorities for the Adaptation Fund endorsed the project?	Yes, an endorsement letter dated June 8 th , 2021 has been received.	Noted, thank you.
Project Eligibility	17. Does the project/programme support concrete adaptation actions to assist the country or countries in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience? In case of regional project/programme, is there added value using the regional approach, compared to implementing similar activities in each country individually?	Yes. The overall objective of the project is to reduce the vulnerabilities of the rural communities by enhancing coastal wetland management with a focus on community-based co-management of mangrove forests and associated ecosystem services in Tra Vinh and Ben Tre provinces.	Noted, thank you.

<p>18. Does the project/programme help spread innovative adaptation practices, tools and technologies that have demonstrated success in one country to another country, countries or regions; and/or Does the project/programme pilot at larger scale innovative adaptation practices, tools or technologies generated that have demonstrated viability at a small scale?</p>	<p>Needs further development.</p> <p>The proposal explicitly highlights two Innovation mechanisms:</p> <ul style="list-style-type: none"> - Roll out (of successful innovative green financial incentive mechanisms) - Scale up (of viable innovations for sustainable and climate resilient coastal wetlands management) <p>It is based on prior knowledge that has been built from other projects, enabling it to start at the ‘development and diffusion’ stage of the innovation pathway, as is appropriate for a large grant. The project does offer potential for innovation; however, it is not clear in the current proposal how it is embedded in each of the components, or how it becomes a coherent innovation pathway and it could be further drawn out and detailed to strengthen the innovation understanding presented. The financial incentives mechanism subcomponent appears promising, but critical detail on how exactly it would involve and benefit the local communities is missing.</p> <p>CR1: Kindly clarify the innovation pathway and explicitly identify mechanisms to further develop the proposal as an innovation proposal.</p> <p>It is unclear whether the project aims to establish a mechanism or a process that would help promote or enable the emergence of innovation action or options, or whether it will solely scale-up already proven innovative actions.</p> <p>CR 2: Please clarify, elaborating the proposal where needed, on whether the project aims to establish a mechanism or a process that would help promote or enable the emergence of innovation action or options, or whether it will solely scale-up already proven innovative actions.</p> <p>It is unclear to what extent local communities will have a role in selecting or devising adaptation actions, and whether the proposed innovative initiatives or menu of such initiatives will be co-created with the communities.</p> <p>CR3: Please clarify to what extent local communities will have a role in selecting or devising adaptation actions, and whether the proposed innovative initiatives or menu of such initiatives will be co-created with the communities.</p> <p>CR4: Please clarify how the project will aim to bring especially vulnerable groups and stakeholders such as women and youth into the process of interventions design and/or innovation.</p>	<p>We have further elaborated how financial Incentive mechanisms for community-based sustainable coastal wetland management (CM-FIM) are embedded in each component and highlighted how they follow an innovation pathway to benefit local communities. AFB/PPRC.28/34</p> <p>CR1 - Addressed CM-FIM aims to establish a process to help promote and enable adoption of innovations. Co-management and the financial incentive mechanisms to facilitate it are both a means and an end. As explained in the updated concept note, a comprehensive planning process integrated into the existing Socio-Economic Development Planning (SEDP) process will be the basis for identifying and selecting good practices and developing new innovations responding to the local context through participatory action research, stakeholder consultation, identification and mobilization of resources and rolling out of financial mechanisms and their scaling up. Beneficiaries and participants in the co-management arrangements, especially groups in condition of vulnerability, are fully engaged in this process and will also benefit from the results.</p> <p>Reference is made in <i>PART II: Project Justification</i> of the updated proposal.</p> <p>CR2 – Addressed</p> <p>The concept note was further elaborated to indicate how the project aims to both establish a process that would help promote innovation options and to scale-up already proven innovative actions (Please see updated PART II: Project Justification of the updated proposal and Annexes.) It is worth noting that not only the project will scale-up already proven innovative actions, but it will also adapt or make them work in the Mekong delta specific context.</p> <p>CR3 - Addressed As mentioned above, local communities are fully involved in the planning process in which they identify, prioritize, and select the models/activities. The project planning process is built on the existing SEDP mechanism, institutionalized through previous IFAD-funded national projects. Mechanisms that ensure full participation of stakeholders, including FPIC, consultation, participation, grievance redress, M&E, are comprehensively addressed in the SEDP manual. Details of the planning and implementation process and how local communities are engaged have been elaborated in the updated proposal and will be further developed during the design.</p> <p>Reference is made in <i>PART II: Project Justification</i> of the updated proposal.</p> <p>CR4 - Addressed Vulnerable groups, including the poor, ethnic minorities, women, boys and girls, are the project's direct beneficiaries. To ensure greater participation and social inclusion of the project's main target groups, a combination of direct targeting and self-targeting methods will be set in place. While project activities are of interest to all target groups (self-targeting) in the intervention area, the direct targeting methods will ensure the participation and identification of activities to reach the most vulnerable groups: women, youth and ethnic minorities, through social awareness, capacity building training programmes, planning, and direct support to co-management activities to enable more equitable benefit sharing and a pathway to reduce workloads, promoting decent employment opportunities, cope with climate change and improve local livelihoods.</p> <p>Reference is made in <i>Part I, section A. Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i> of the updated</p>
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	<p>Does the project/programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>Not cleared. The project appears it will provide economic, social, and environmental benefits, and a good general description is provided on page 9. A clear comparison of the expected benefits to the baseline situation in the target areas is missing and would be helpful. Furthermore, it is not clear how the vulnerable communities, and women and girls specifically, would benefit economically and socially.</p> <p>CR10: Please include a clear presentation of the expected benefits to the communities in comparison to baseline situation.</p> <p>CR11: Please elaborate and clarify how the innovative financial mechanisms will work, specifically whether and how they will provide economic benefits to the communities.</p>	<p>CR10 - Addressed. As indicated in the updated concept note, an Economic and Financial (EFA) analysis will be conducted at the proposal design stage. It is expected that the project will generate direct and indirect economic benefits. Specifically, the project will provide the following economic, social, and environmental benefits including but not limited to:</p> <ul style="list-style-type: none"> • Increased sustainable farm production (crop, fish) under and around the coastal wetland areas through innovative, sustainable co-management approaches; • Increased incomes across the target groups through participation in fishery value chains (product type, quality and quantity meet market demand, better price along with contract arrangements with the private sector; new remunerative jobs and businesses for youth, engagement of ethnic minorities and women), and other forms of FIM; • Improved biodiversity and associated ecosystem services through co-management practices; • Increased area planted with mangroves which will increase carbon sequestration and provide ecosystem services such as acting as a filter for salinity and breeding grounds for fish; and • Adaptation/prevention of climate change risks including salinity intrusion, storms, and inundation. <p>These are elaborated in the updated concept note but a detailed breakdown and quantification of benefits by target group and investment type will be elaborated during the proposal design.</p> <p>Reference is made in section <i>B. Economic, Social and Environmental Benefits</i> (pages 13-15) of the updated concept note.</p> <p>CR11 - Addressed The FIMs have been further elaborated in the updated concept note, including how they will provide economic benefits to the communities. FIMs will be elaborated in detail at full proposal design stage. The planning processes supported under Component 1, as well as the co-management platform established under subcomponent 2.1, will support the analysis and identification of the options for FIM mechanisms serving as inputs for implementation of subcomponent 2.2. The CM-FIM will facilitate and mobilize the existing financial services reaching out to project beneficiaries. Additionally, CM-FIM will initiate innovative financial mechanisms that was well tested by IFAD in other regions including matching grant from farmer groups, financial incentives for enterprises, PFES, and carbon trading.</p>
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			Reference is made in <i>Part II: Project Justification, section A, Sub-component 2.2 (output 2.2)</i> of the updated proposal.
	19. Does the project engage, empower and/or benefit the most vulnerable communities and social groups?	<p>Not cleared. In line with the comments previously made, it seems that the project aims to benefit the vulnerable communities, but it is unclear how exactly, and whether and to what extent the communities will be engaged and empowered. Further, the socioeconomic/demographic description of the target communities is lacking.</p> <p>CR12: Please provide further detail on the target communities, in terms of the socioeconomic and demographic descriptions and figures.</p>	<p>CR12 - Addressed</p> <p>Further detail on the target communities, in terms of the socioeconomic and demographic descriptions and figures have been included in the in updated concept note.</p> <p>Reference is made in Part I, section <i>A. Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i>.</p>
	20. Does the project advance gender equality and the empowerment of women and girls?	<p>Not cleared.</p> <p>The project will actively seek to transform gendered power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to women's and girls' inclusion and empowerment. Activities will be implemented with an explicit gender focus, engaging women and young people fully as participants and beneficiaries by establishing membership and/or leadership quotas (50% women and 30% youth) in activity groups, as well as by adopting enabling measures including training approaches that increase their participation.</p> <p>CR13: Please clarify whether the age-category distribution will be gender-balanced.</p> <p>CR14: Please clarify if an initial gender assessment was completed and please annex the document to the project proposal.</p>	<p>CR13 – Addressed.</p> <p>The updated concept note clarifies that the age-category distribution will be gender-balanced (of 30% target youth, 50% are intended to be girls and 50% boys). Beneficiaries (people) are disaggregated as follows: Total (number/percentage) Young (at least 30%, this could be increased at design stage following beneficiaries' updated assessment in the project area) Non-Young (70%) Males (50%) Females (50%)</p> <p>Reference is made in Part I, section <i>A. Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i>.</p> <p>CR 14- Addressed</p> <p>The updated concept note confirms that an initial gender and youth assessment was completed and its results are provided in Annex 4 (<i>Gender and Youth Assessment</i>).</p> <p>Reference is made in Part I, section <i>A. Project Background and Context</i>, pages 3-5, and <i>Annex 4 – Gender and Youth Assessment</i>.</p>
	21. Is the project/programme cost-effective? In the case of regional project/programmes, does the regional approach	<p>Not cleared.</p> <p>CR 15: Please provide information on project cost-effectiveness.</p>	<p>CR15 – Addressed</p> <p>Information has been provided under <i>Part II, section C. Cost-effectiveness</i> of the updated proposal. A detailed analysis of the cost-effectiveness of the</p>

	support cost effectiveness? Does the project engage, empower and/or benefit the most vulnerable communities and social groups?		proposed project will be conducted at full-proposal design phase (being an international financial institution, IFAD will conduct a very accurate cost-effectiveness analysis during the design).
	22. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	Yes. The project is in line and consistent with major relevant national strategies and programmes, and is expected to support the Sustainable Development Goals (SDG), especially SDG 1 (end poverty), SDG 2 (zero hunger), SDG 5 (gender equality), and SDG 13 (climate action). (Page 8)	Noted, thank you.
	23. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	No. CAR 2: Please list the relevant technical standards that might apply.	CAR 2: Addressed The relevant technical standards have been listed under Part II, section <i>E. National Technical Standards and Environmental Social Policy</i> of the updated proposal.
	24. Is there duplication of project/programme with other funding sources?	Not clear. CR14: Please provide information on other relevant interventions and briefly explain for each how duplication will be avoided, as well as discussing relevant synergies wherever possible.	CR14: Addressed There is no duplication of proposed project with other funding sources. The potential for cooperation and partnerships with complementary ongoing and upcoming initiatives has been highlighted in the updated concept note. The strategic role of the Mekong Delta Working Group in Vietnam is also noted as the structure guaranteeing coordinated efforts by the Government and the Development Partners to implement an ambitious adaptation plan at scale in the Mekong Delta. Reference is made in Part II, Section <i>F. Duplication</i> of the updated proposal.
	25. Does the project/programme have a learning and knowledge management component to capture and feedback lessons?	Not cleared. Component 3 leverages the knowledge management system to allow for scaling of activities through participatory processes throughout the project for knowledge transfer and scaling capacity. Scaling is an important part of innovation and seems to be well embedded here. However, more detail would be useful, and it is currently unclear the project will aim to establish or deploy any innovative KM practice, for example. CR15: Please provide more detail on the learning and knowledge management component.	CR 15 – Addressed Additional information on the learning and knowledge management component has been provided in the updated concept note. Reference is made to Part II, section <i>A. Project components promoting new and scaling-up viable innovative solutions to climate change adaptation</i> , component 3. Further details on KM will be elaborated at full-proposal design stage, including also key aspects of the expected KM strategy and KM plan template.
	26. Has a consultative process taken place,	No.	Please note that three rounds of initial consultations were conducted with key

	and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>No information on a consultative process is provided</p> <p>CAR3: Kindly provide consultation reports (including those conducted with women and identified vulnerable groups) in an Annex to the proposal. Virtual consultations are acceptable.</p> <p>CR16: Please clarify the outcomes of initial consultations and how they have been considered in the project design.</p> <p>Please note that <u>at the concept stage, an initial consultative process must take place, with key stakeholders of the project/programme.</u> Depending on the level of involvement of local communities or governments, private sector, CSOs or universities/research centers in the execution of the project/programme, those stakeholders may or may not be consulted at the concept stage. In project/programme target areas where minority groups and indigenous peoples have been identified, they should be consulted at the concept stage and their interests or concerns considered when designing the proposal.</p>	<p>state and non-state actors and stakeholders intervening in the project during the period between June and August 2021. Annex 5 details the consultation methods and the feedback and recommendations received from the relevant stakeholders, especially the target groups including local communities, ethnic minority groups, the rural poor, women, and youth. Adequate provisions to enhance the project benefits for target groups have been integrated into the concept proposal and will be followed up during the detailed design.</p> <p>CAR3 – Addressed</p> <p>Reference is made to <i>Annex 5: Consultation report for the development of the CM-FIM and list of people and institutions consulted</i> in the updated concept note.</p> <p>CR16- Addressed</p> <p>Reference is made in <i>Annex 5: Consultation report for the development of the CM-FIM and list of people and institutions consulted</i> in the updated concept note.</p>
	27. Is the requested financing justified on the basis of full cost of adaptation reasoning?	<p>Not cleared.</p> <p>CR17: Please clarify if project envisages co-financing. In that case, clarify that the Adaptation Fund project would be able to deliver its outcomes and outputs regardless of the success of the other project(s).</p>	<p>CR17 – Addressed</p> <p>At this stage, there is no confirmation of co-financing but as indicated under section 9 above, the project intends to collaborate closely with other IFAD investments in the country and partners working on parallel, complementary projects to ensure synergy and cooperation of the activities. This is an essential consideration for how IFAD cooperates with other partners to improve capacity and delivery.</p> <p>See Part II, section C. Cost-effectiveness.</p>
	28. Is the project / program aligned with AF's results framework?	<p>Yes.</p> <p>Please note that, during the fully-developed proposal stage, the project's framework must align with the outcome on the innovation in the Adaptation Fund revised strategic results framework (current version: https://www.adaptation-fund.org/wp-content/uploads/2019/10/Adaptation-Fund-Strategic-Results-Framework-Amended-in-March-2019-2.pdf)</p>	<p>Noted, thank you.</p>
	29. Has the sustainability of the	Not cleared.	

	project/programme outcomes been taken into account when designing the project?	<p>The sustainability of the project is not elaborated upon in the proposal. It is particularly important in the case of Component 2.</p> <p>It is not clear how the private sector will be involved, and what the prospects for sustainability would be for this kind of involvement.</p> <p>CR18: Please clarify sustainability of the components, particularly the second component (with the emphasis on the financial incentives mechanisms) and the private sector partner involvement.</p>	<p>CR 18 – Addressed</p> <p>Project sustainability and private sector engagement have been strengthened throughout the updated concept note especially in Component 2. Further reference is made in Part II, section <i>I. Sustainability</i> of the updated proposal.</p> <p>IFAD has rich experience in the Viet Nam portfolio engaging with private sector in agriculture development through promotion of public-private-producer partnership (4P) modality arrangements. The CM-FIM will build on IFAD experience through engagement of private sector in developing and upgrading mangrove forest related products (e.g. honey, medicinal herbs, and aquaculture). There is increasing international demand on certified eco-products (e.g. ethnic minorities produce organic honey, eco-shrimp, ethic shrimp), and an increased number of enterprises interested in entering this field such as the Minh Phu company, which purchases certified eco-products with premium paid back to producers.</p>
	30. Does the project /programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Not cleared.</p> <p>The project provides a good overview of environmental and social impacts, and, as mentioned above, if available, an initial gender assessment should be provided. However, the project is not categorized.</p> <p>Also, given the lack of detail on key aspects of the project components, there may be risks that are currently not apparent. Further, it is unclear whether the management practices may come with any risks to the natural environment, triggering risks in relation to natural habitats or biodiversity conservation principles, for example.</p> <p>CR19: Please provide a categorization of the project (A, B or C). Please review the ESP matrix upon revision and elaboration of the proposal, as other risks might become apparent.</p> <p>CR 20: Please provide an initial gender assessment, if available. It should ideally provide qualitative and quantitative data for gender roles, activities, needs, and available opportunities and challenges or risks for men and women. If it is not available, please justify and outline the next steps (e.g. during project development.)</p>	<p>CR19 – Addressed</p> <p>The categorization of the project has been provided in the updated concept note. Reference is made in Part II, section <i>J. Environmental and social impacts and risks identified as being relevant to the project</i> in the updated proposal.</p> <p>CR20 – Addressed</p> <p>As indicated, the updated proposal includes an initial gender and youth assessment. Reference is made in Part I, section <i>A. Project Background and Context</i>, and <i>Annex 4 – Gender and Youth Assessment</i>.</p> <p>At full-proposal design stage, a fully detailed assessment with qualitative and quantitative data for gender roles, activities, needs, and available opportunities and challenges or risks for men and women will be conducted in line with both AF and IFAD gender policies and tools as indicated in the updated proposal.</p>
Resource Availability	3. Is the requested project funding within the parameters for large grants	Yes.	Noted, thank you.

	set by the Board?		
	4. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project budget before the fee? Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)? For regional projects/programmes, are the administrative costs (Implementing Entity Management Fee and Project/Programme Execution Costs) at or below 20 per cent of the total project/programme budget?	Yes. The Implementing Entity Management fee is 7.4%. The Execution costs are at 7.2%.	Noted, thank you.
Eligibility of IE	2. Is the project submitted through an Implementing Entity accredited by the Board?	Yes. IFAD is an accredited IE of the AF.	Noted, thank you.
Implementation Arrangements	11. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund? Proponents are encouraged to refer to the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.	n/a at concept stage	
	12. Are there measures for financial and project/programme risk management	n/a at concept stage	
	13. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage	
	14. Is a budget on the Implementing Entity Management Fee use included?	n/a at concept stage	
	15. Is an explanation and breakdown of the execution cost included?	n/a at concept stage	
	16. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a at concept stage	

	17. Is the timeframe for the proposed activities adequate?	n/a at concept stage	
	18. Is a summary breakdown of the budget for the proposed activities included?	n/a at concept stage	
	19. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a at concept stage	
	20. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage	



ADAPTATION FUND

SINGLE COUNTRY INNOVATION PROJECT PROPOSAL

ADAPTATION FUND

SINGLE COUNTRY INNOVATION PROJECT PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/ Programme :	Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Viet Nam Vietnam (CM-FIM)
Country: _____ Vietnam	Viet Nam /Countries: _____
Thematic Focal Area ¹ :	Innovation in adaptation finance
Type of Implementing Entity:	Multilateral Implementing Entity (MIE)
Implementing Entity:	International Fund for Agricultural Development (IFAD)
Executing Entities:	Ministry of Natural Resources and Environment (MONRE)
Amount of Financing Requested:	5 million (in U.S Dollars Equivalent)

¹ Thematic areas are: Agriculture, Coastal Zone Management, Disaster risk reduction, Food security, Forests, Human health, Innovative climate finance, Marine and Fisheries, Nature-based solutions and ecosystem based adaptation, Protection and enhancement of cultural heritage, Social innovation, Rural development, Urban adaptation, Water management, Wildfire Management.

Abbreviations and Acronyms

<u>AF</u>	<u>Adaptation Fund</u>
<u>AMD</u>	<u>IFAD-funded Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces</u>
<u>CBA</u>	<u>Community-Based Adaptation</u>
<u>CCA</u>	<u>Climate Change Adaptation</u>
<u>CG</u>	<u>Collaborative Group</u>
<u>CM-FIM</u>	<u>Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Viet Nam</u>
<u>CSAT</u>	<u>IFAD-funded Climate Smart Agriculture Transformation Project (*currently under approval process)</u>
<u>DRM</u>	<u>Disaster Risk Management</u>
<u>E2F</u>	<u>Enterprise to Farmer training</u>
<u>EFA</u>	<u>Economic and Financial Analysis</u>
<u>EM</u>	<u>Ethnic Minority</u>
<u>F2F</u>	<u>Farmer to Farmer training</u>
<u>FIM</u>	<u>Financial Incentive Mechanism</u>
<u>FPIC</u>	<u>Free, Prior and Informed Consent</u>
<u>FSF</u>	<u>Farmer Support Fund</u>
<u>FU</u>	<u>Famer's Union</u>
<u>GALS</u>	<u>Gender Action Learning System</u>
<u>GAP</u>	<u>Gender Action Plan</u>
<u>GDI</u>	<u>Gender Development Index</u>
<u>GDP</u>	<u>Gross domestic product</u>
<u>GII</u>	<u>Gender Inequality Index</u>
<u>GNI</u>	<u>Gross National Income</u>
<u>GoV</u>	<u>Government of Viet Nam</u>
<u>GSO</u>	<u>General Statistics Office</u>
<u>HDI</u>	<u>Human Development Index</u>
<u>HHMs</u>	<u>Household Methodologies</u>
<u>IFAD</u>	<u>International Fund for Agriculture Development</u>

<u>KM</u>	<u>Knowledge Management</u>
<u>M&E</u>	<u>Monitoring and Evaluation</u>
<u>MARD</u>	<u>Ministry of Agriculture and Rural Development</u>
<u>MD-ICRSL/WB9</u>	<u>World Bank-financed Mekong Delta Integrated Climate Resilience and Sustainable Livelihoods Programme</u>
<u>MIE</u>	<u>Multilateral Implementing Entity</u>
<u>MONRE</u>	<u>Ministry of Natural Resources and Environment</u>
<u>PFES</u>	<u>Payment for Forest Ecosystem Services</u>
<u>REDD+</u>	<u>Reducing emissions from deforestation and forest degradation</u>
<u>SCG</u>	<u>Savings and Credit Groups</u>
<u>SECAP</u>	<u>Social, Environmental and Climate Assessment Procedures (IFAD)</u>
<u>SEDP</u>	<u>Socio-Economic Development Plan</u>
<u>SME</u>	<u>Small and Medium Enterprise</u>
<u>ToT</u>	<u>Training of Trainers</u>
<u>UNDP</u>	<u>United Nations Development Programme</u>
<u>US\$</u>	<u>United States Dollar</u>
<u>VND</u>	<u>Vietnamese Dong</u>
<u>WB</u>	<u>World Bank</u>
<u>WDF</u>	<u>Women's Development Fund</u>
<u>WU</u>	<u>Women's Union</u>

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A. Project Background and Context

Geography, climate and environment. Viet Nam Project / Programme Background and Context:

Viet Nam has a total population of 96.2 million people¹ (49.8% male and 50.2% female) (GSO, 2020PHC, 2019). Located on the eastern margin of the Indochinese Peninsula, the country covers 331,236 km² (290 persons per km²)² and has a coastline of 3,260 km. Viet Nam has a tropical climate zone, with the entire country experiencing the effects of the annual monsoon. In the northern regions, average temperatures range from 22–27.5°C in summer to 15–20°C in winter, while the southern areas have a narrower range of 28–29°C in summer to 26–27°C in winter (World Bank, 2019).

Viet Nam's long coastline, geographic location, and diverse topography and climate contribute to being one of the most hazard-prone countries³ of Asia and the Pacific Region⁴. Given that a high proportion of the country's population and economic assets are located in coastal lowlands and deltas, the World Bank (WB) ranked Viet Nam among the five countries likely to be the most affected by climate change. Without effective adaptation measures, by the end of the 21st century, an estimated 12 million people will face permanent inundation, primarily concentrated in the country's two low-lying mega-river deltas. An estimated 2.4% (~ US\$6.3 billion) of Viet Nam's Gross Domestic Product (GDP) from permanent inundation in the Red River Delta region. In addition to the threat of permanent inundation, livelihoods in Viet Nam's low-lying areas face major challenges from saline intrusion, which has already forced land-use changes, abandonment, and reduced yields in many provinces (WB World Bank, 2019).

To reduce the environmental footprint associated with the country's economic growth, the Government of Viet Nam has been developing and adopting relevant policies⁵ and mitigation and adaptation measures. In particular, to protect the wetlands along the coastline, Viet Nam has been investing in hard infrastructure such as dikes and sluice gates, and, in some cases, mangroves restoration⁶, registering an increase of 9,411 ha of mangrove forests countrywide from 2000 to 2017 (MARD, 2018). Despite the progress made so far, mangrove forest management in Viet Nam still faces some important challenges, which could be tackled through a mangrove ecosystem approach, as proposed under this initiative. Key challenges include: unclear responsibilities among management agencies, conflicts in land-use planning, high demand for land use from other sectors (aquaculture and urbanization), weak local

¹ Viet Nam's population increased by 10.4 million people over the last decade. The average annual population growth rate from 2009-2019 was 1.14% per year, a slight fall compared to the rate from 1999-2009 (1.18% per year) (GSO, 2020PHC, 2019)

² Viet Nam is the third most densely populated country in Southeast Asia after the Philippines (363 people per km²) and Singapore (8,292 people per km²)

³ Viet Nam is ranked 91 out of 191 countries by the 2019 INFORM Risk Index based on its high exposure to flooding (ranked 1st together with Bangladesh), tropical cyclones and their associated hazards (ranked 8th), and drought (ranked 82nd).

⁴ Viet Nam is ranked 91 out of 191 countries by the 2019 INFORM Risk Index based on its high exposure to flooding (ranked 1st together with Bangladesh), tropical cyclones and their associated hazards (ranked 8th), and drought (ranked 82nd).

⁵ The Government of Viet Nam has developed and issued several policies responding to the country's climate change challenges such as: the National Climate Change Strategy (2011); the National Green Growth Strategy (2012); the Law on Natural Disaster Prevention and Control (2013); the Law on Environment (2014); the Viet Nam's Renewable Energy Development Strategy to 2030, with a vision to 2050 (2015); the Revised National Power Development Plan (PDP) for 2011- 2020 with a vision to 2030 (revised PDP VII) (2016); the Paris Agreement and the associated Nationally Determined Contribution (2016); PIPA (2016); the National Action Plan for Implementation of the 2030 Agenda for Sustainable Development (2017); the Resolution of the Politburo of the Central Committee of the Communist Party of Viet Nam on the orientation of Viet Nam's National Energy Development Strategy to 2030, with a vision to 2045 (2020).

⁶ Between 1943 and 2000, mangrove areas in Viet Nam declined from 450,000 ha to 155,290 ha (Sam et al. 2005) due to population and economic pressures (i.e., conversion to agricultural production and aquaculture, exploitation of tree resources, and urbanization).

community engagement and rural poverty (Hawkins et al. 2010), and limited data and analysis on mangrove forest management.

Economy. Viet Nam's macro-economic development record over the past 30 years is remarkable. Economic and political reforms have spurred rapid economic growth and development and transformed Viet Nam from one of the world's poorest nations to a lower-middle-income country. The economy is performing well, propelled by the sustained global recovery and continued domestic reforms. Robust growth is boosting job creation and income, leading to broad-based welfare gains and poverty reduction. Viet Nam's gross domestic product is estimated to have increased by 7% in 2019 (IFAD, 2020).

The COVID-19 pandemic has uncovered large vulnerabilities significantly affecting Viet Nam's economic development in 2020-2021. The GDP growth in 2020 declined to 2.8%⁷. For 2021-2022, national economic recovery is uncertain due to new outbreaks of the disease and a slow global recovery. Recent government policies focus on recovery by investing in public infrastructure, promoting access to finance, enhancing labour productivity and expanding the use of digital technology.

Poverty. The proportion of the population living below the national poverty line in 2019 was 6%, down by over 70% from 1993. More than 40 million people escaped poverty over this period, largely from rapid economic growth that has created more and better jobs⁸. Poverty has become overwhelmingly rural. The vast majority of the poor (86%) belong to ethnic minorities residing in remote and mountainous areas.

In the Mekong Delta region, poverty head count ratio stands at 5.9%, due to the high population density. Poor households rely on informal sources of income, e.g. small household enterprises and occasional wage employment. Earnings in these sectors are typically variable and tend to be lower than in the formal sector.

Vulnerability to external shocks is prevalent among households with a strong dependence on agricultural and non-wage and wage incomes⁹ and with limited access to required water infrastructure, insurance and climate sensitive agro-advisory services to mitigate such risks. In addition, illness, death and external shocks, such as loss of employment due to COVID-19 or natural disaster, can push poor and near poor families deeper into poverty.

Gender. Viet Nam is advanced in protecting women's rights legally, but implementation lags behind, especially in rural areas. Although the ratio of women in the labour force is high, they are usually engaged in the informal economy and unpaid family labour, leaving many women in a highly vulnerable position in the labour market. Men dominate control over land and other valuable assets and typically decide about household business investment and use of income. Limited asset possession reduces women's access to credit and investment opportunities. Small-scale farmers, in particular women, face unequal access to knowledge, technology and markets. Women also face discrimination in taking part in economic and political decision-making. The discrimination faced by women often intersects with and is amplified by disadvantages that come from belonging to other vulnerable and excluded groups, such as ethnic minorities. Gender status differences are larger in some ethnic minority groups, owing to women's traditionally low access to education and economic opportunities. In terms of coastal wetland management, there is a need for more equitable access to mangrove forest resources to enhance the role and voice of

⁷ <https://www.worldbank.org/vi/country/VietNam/overview#:~:text=Kinh%20%E1%BA%BF%20v%C4%A9%20m%C3%B4%20v%C3%A0%20ho%E1%BA%A3n%20%C3%A0%206%2D7%25>

⁸ According to the Decision No. 1614/QĐ-TTg of the GoV, promulgating the multi-dimensional poverty measure, poor household is a household whose per capita income does not exceed the policy poverty line (VND 1 million in Urban – VND 800,000 in rural) or exceeds the policy poverty line but lower than the minimum income standard and it is deprived in a third or more of ten indicators of basic services. Near poor household is a household whose per capita income exceeds the policy poverty line but does not exceed the minimum living standard (VND 1-1.3 million in urban, VND800,000 – 1 million in rural) and it is deprived in a third or more of ten indicators of basic services.

⁹ <https://www.worldbank.org/en/country/VietNam/overview>.

women in this sector (Dien, 2011; Huu Minh, 2015)¹⁰. Gender inequality is also a determinant of exposure to climate change risks as women and girls are more vulnerable to the impacts of extreme events. Good adaptation provides options to manage these risks. To address gender inequality, an amplifier of risk, adaptation must therefore address gender-based vulnerability. In the area of agriculture, gender-transformative adaptation can enhance food and nutrition security and bring other benefits such as increased socio-economic wellbeing and poverty reduction. For a detailed gender analysis, see Annex 4: Gender.

Youth. In Viet Nam, young persons aged 16-30¹¹ account for around a quarter of the country's population¹². High youth unemployment poses the biggest concern. Informal contracts are the norm for most young wageworkers and over half of employed youth receive earnings below the average wage. Skills mismatch affects half of the working youth. Youth often face difficulties in transiting from traditional agriculture to modern and sustainable methods of production. Although vocational education and training in agriculture provides some technical knowledge, young people face additional challenges from lack of financial resources and access to land. Young women and those coming from ethnic minorities are more vulnerable. Climate change ranks among the most important dynamics shaping livelihoods of young people now and in the future in Viet Nam. Investments targeting rural youth need to address climate for two simple reasons: the success and sustainability of efforts to create jobs for young people will depend on the future climate (as well as many other uncertainties in the economic and policy environments); and today's youth will bear the costs of failure throughout their lifetimes. Moreover, Viet Nam, where the youth population accounts for a sizeable share of the total population, also depends heavily on agriculture – a sector that is highly exposed to climate change. For more details on youth, see Annex 4: Gender.

Nutrition. Viet Nam still experiences a malnutrition burden among its under-five population. The national prevalence of under-five overweight increased to 5.3% in 2015. The national prevalence of under-five stunting is 24.6%, but this hides differences between ethnic minorities (32%) and rural poor households (17.7%), for the majority Kinh ethnic group. The underlying and basic causes of malnutrition are related to food security, maternal and child caring practices, water and sanitation, and personal hygiene. One of the reason for the high percentage of malnourished children is the traditional diet of most Vietnamese, which does not provide enough vitamins and minerals for the children's physical, mental and intellectual development.

Target Groups and Project Area. The proposed project "Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Viet Nam/Vietnam (CM-FIM)" builds on the recognition that mangroves play a critical role in climate change mitigation¹³ (through carbon sequestration) and adaptation (e.g., through stabilizing shoreline erosion, reducing storm surges, trapping sediment, and preventing inland soil salinization) (Koh H.L., Teh S.Y., 2020)¹⁴. The project aims therefore to build climate resilience into innovative and sustainable mangrove forest co-management and farm production (crop, fish)

¹⁰ Research article by Nguyen Thi Hong Mai, Dang Thai Hoang, University of Agriculture and Forestry, Hue University-Vietnam, 2018 (<https://tud.qucosa.de/api/qucosa%3A32722/attachment/ATT-0/>)

¹¹ There is no universally agreed definition of youth. The UN defines a young person as aged 15-24, while the Viet Nam Youth Law (2005) defines youth as aged 16-30. Viet Nam has entered a period of "golden population structure". For the purposes of this project, the national definition of youth will apply (i.e., 16-30).

¹² But 20% of the rural population due to outmigration.

¹³ Mangroves sequester carbon far more effectively (up to 100 times faster) and more permanently than terrestrial forests. Mangrove forests store up to five times more carbon than most other tropical forests around the world. Mangroves have more carbon in their soil alone than most tropical forests have in all their biomass and soil combined. Cutting down mangroves means releasing larger amounts of carbon into the atmosphere. This in turn causes the wet soil to dry up, leading to the release of even more stored carbon into the atmosphere (<https://archive.recoftc.org/project/grassroots-capacity-building-redd/news-and-features/mangroves-more-carbon-rich-and-important-climate-change>). (<https://archive.recoftc.org/project/grassroots-capacity-building-redd/news-and-features/mangroves-more-carbon-rich-and-important-climate-change>).

¹⁴ According to several studies, the total economic value of mangroves in Viet Nam/Vietnam varies from US\$ 1,000 to 4,200 ha/year (Sam et al., 2005; Phuong et al., 2012).

in and around the coastal wetland areas of Tra Vinh and Ben Tre provinces in Viet Nam. It will do this by (i) promoting innovative and sustainable mangrove forest co-management approaches that bring together government, private sector, and rural community stakeholders (e.g., developing and implementing climate-adapted Socio Economic Development Plans with innovative coastal wetland management systems), and by (ii) providing financial incentive mechanisms to finance such co-management arrangements (e.g., payment for forest ecosystem services, carbon trading credits, savings and loans at commercial terms and combined with capacity building addressed to low-income women, etc.) (see Annex 2: Theory of Change and Annex 3: Effective coastal wetland management practices identification and replication). The project will address the key gaps/barriers in advancing an enabling policy environment and supporting the capacity building requirements of key stakeholders to tackle mangrove deforestation and the forest degradation/agricultural expansion nexus. It will promote effective planning of mangrove forest management and implementation of enhanced measures for mangrove forest protection and development through financial incentive mechanisms for inclusive and remunerative community and supportive private sector engagement (see Annex 2 for the Theory of Change).

Project area. The geographical area of the project lies in two of the country's provinces most severely affected by climate change and human impacts along the Mekong River: Tra Vinh and Ben Tre provinces located in the last-lower basin of the Mekong River (located in the Mekong Delta)¹⁵. With a total coastline of 130 km, Tra Vinh and Ben Tre provinces suffer the adverse impacts of saline water intrusion in cropland, storms and flooding. Their total ~ 50,000 ha coastal wetlands with 20,000 ha mangrove forests play a critical role in trapping the sediment from the Mekong River and supporting endemic habitat and biodiversity while providing an important source of livelihoods for about 10,000 households (about 35 000 people) living adjacent to mangrove forests. Among these, there are around 3,000 Khmer ethnic minority households with a poverty rate of 25%, which is much higher than the average poverty rate in the two provinces (6-8%)¹⁶. Due to limited climate sensitive planning in current production systems and infrastructure, from 2015 to 2020 droughts have affected 200,000 ha of rice and fruit cultivation in Tra Vinh and Ben Tre provinces¹⁷ and pushed 11,000 households back into poverty, while an additional 65,000 households became highly vulnerable (IFAD, 2020)¹⁸.

Target groups. Climate vulnerable smallholder farmers living within and around the mangrove forest areas in Tra Vinh and Ben Tre provinces will be the primary beneficiaries of CM-FIM (about 6,000 households or 21,000 people). Among them, three main target subgroups have been identified:

- a. *Climate-vulnerable poor and near poor smallholder farmers* – this group includes those with not enough access to productive land and water or other resources to produce enough to cover their food needs, who are very vulnerable to climate shocks. They account for approximately 30% of the project target group and they will benefit from training, access to finance, and decent employment along the co-management mechanisms;
- b. *Climate-vulnerable medium smallholder farmers* - this group includes those who are normally able to fulfil their own needs, but who are not able to produce much excess to sell, including ethnic minorities, female-headed households and young men and women as identified by the local Socio-Economic Development Plan (SEDP). They are very vulnerable to climatic or other shocks to their livelihoods, which in severe situations lead to periods with food insecurity, and want to improve

¹⁵ United Nations Office for Disaster Risk Reduction (UNISDR) Prevention Web

<https://www.preventionweb.net/countries/vnm/data/> — <https://www.preventionweb.net/countries/vnm/data/>

¹⁶ <https://travinh.gov.vn/mDefault.aspx?sid=1433&pageid=5691&catid=71849&id=595404&catname=formation-history&title=formation-history-of-tra-vinh-province>

¹⁷ 16 Provincial People's Committees of Tra Vinh, Ben Tre – Socio Economic Development of Tra Vinh, Ben Tre in the period 2015-2020.

¹⁸ SECAP Review note, Ben Tre and Tra Vinh provinces (IFAD, 2020, feasibility studies conducted for the design of the CSAT project).

their agricultural productivity. They account for approximately 60% of the project target group and they will benefit from all project activities;

c. *Climate-vulnerable market-oriented farmers* – this group includes those who are regularly able to sell excess production to market. They have adequate land and some skills that they wish to use to increase their surplus production available for sale. They account for approximately 10% of the project area population and, while they are not the primary target group of CM-FIM, they are included in the project's interventions because they can showcase income generation options and pull other farmers into market-oriented activities through demonstration and participation in producer groups.

Figure 1. Distribution of mangrove forests in Viet Nam in 2013 (MARD, 2014)¹⁹



Targeting of women and youth²⁰. The project will actively seek to transform gendered power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to climate-vulnerable women's and girls' inclusion and empowerment. Activities will be implemented with an explicit gender focus, engaging women and young people fully as participants and beneficiaries by establishing membership and/or leadership quotas (50% female and 30% youth, of which 50% are intended to be girls) in activity groups, as well as by adopting enabling measures including training

¹⁹ <https://link.springer.com/content/pdf/10.1007/s13595-020-0921-0.pdf>

²⁰ In terms of nutrition, while there are no specific interventions foreseen, the adoption of innovative Financial Incentive Mechanisms (FIMs) will enhance increased household revenues and availability of nutritious food in local markets.

approaches that increase their participation. To that end, a thorough gender/youth assessment and a poverty and livelihoods analysis will be conducted at the design stage of the fully developed project proposal²¹ (for more details see Annex 4: Gender and Youth Assessment).

Rationale for IFAD involvement. The project will benefit from IFAD's 25 years of experience in Viet Nam and 12 years working in Tra Vinh and Ben Tre provinces. It will refine and scale-up successful approaches of past and on-going projects such as the upcoming Climate Smart Agriculture Transformation Project (CSAT) in Ben Tre and Tra Vinh, as well as other initiatives supported by development partners such as the World Bank-financed Mekong Delta Integrated Climate Resilience and Sustainable Livelihoods Programme (MD-ICRSL/WB9) and the GIZ-financed Integrated Coastal Management Programme.

In terms of gender mainstreaming, IFAD has been at the forefront of gender equality in rural communities, with a focus on transformative and long-lasting results. Specifically, in cooperation with its partners, IFAD is one of the leading agencies pioneering the innovative approach of using Household Methodologies (HHMs), shifting the focus from the individual to the household level, and from things – such as assets, resources and infrastructure – to people and who they aspire to be and what they aspire to do. The results have been transformational²². Improving the status of women has led to greater climate-smart agricultural productivity and the fairer distribution of labour, among others.

B. Project / Programme Objectives:

The project aims at reducing the vulnerabilities of rural communities to adverse impacts of climate change through enhancing coastal wetland management with a focus on community-based co-management of mangrove forests and associated ecosystem services in Tra Vinh and Ben Tre provinces of Viet Nam.

The project objective is aimed to overall goal will be achieved by through two specific objectives:

1. **Implementing** Roll-out of successful innovative green financial incentive mechanisms for the benefits of stakeholder actors engaged in coastal wetland management, including local women, men, girls, boys and ethnic minorities communities;
2. **Scaling** Scale up of viable innovations for sustainable and climate resilient coastal wetlands management, empowering also local women and girls.

²¹ See AF's Gender Policy and Action Plan of the Adaptation Fund (AF, 2016) and IFAD's How to do note: Poverty targeting, gender equality and empowerment during project design (IFAD, 2017)

²² For more information on gender transformative results using participatory approach please see IFAD's gender website.

C. Project /~~Programme~~ Components and Financing:

Project Components	Expected Outcomes	Expected Outputs	Country Countries	Amount (US\$)
Component 1: Enabling policy environment for adaptive coastal wetland management	Outcome 1.1: Climate adaptation mainstreamed into national coastal wetland policies - At least 2 existing/new regulations, policies or strategies (at central/provincial level) improving <u>gender-sensitive</u> coastal wetland management and planning proposed to policy makers for approval, ratification or amendment.	Output 1.1.1: Evidence-based approaches to adaptive coastal wetland management built - At least 10 best practices on <u>gender-sensitive</u> mangrove management within the Mekong Delta region of <u>Viet Nam/Vietnam</u> developed in a participatory manner and presented to policymakers for policy impact; - At least 3 options for Financial Incentive Mechanisms (FIM), mobilizing resources from both public and private sector, developed and rolled out. Related lessons learnt presented to policymakers for policy impact; - At least 10 <u>gender-sensitive</u> livelihood options for coastal wetland management identified, implemented and related lessons learnt presented to policymakers for policy impact.	<u>Viet Nam/Vietnam</u>	1,000,000

	<p>Outcome 1.2: Capacity in place for adaptive coastal wetland management</p> <p>- The capacity of at least 80% of targeted public and private actors^{actors} implementing adaptive approaches to coastal wetland management strengthened (<u>50% female 30% youth, of which 50% are female</u>)</p>	<p>Output 1.2.1: Local capacity on community-based coastal wetland planning and management strengthened</p> <p>- At least 1 climate-adapted Socio Economic Development Plan (SEDP) per project commune/village developed with innovative <u>and gender-sensitive</u> coastal wetland management systems;</p> <p>- At least 12,000 individuals at local level trained and involved in planning and management of adaptive mangrove forests management (<u>50% female women and 30% youth, of which 50% are female</u>);</p> <p>- At least 6,000 farmers trained in and adopting mangrove co-management practices (<u>50% female women and 30% youth, of which 50% are female</u>);</p>		
<p>Component 2:</p> <p>Up-scaling of innovative adaptation practices in coastal wetland management</p>	<p>Outcome 2.1: Increased community participation in adaptive coastal wetland management</p>	<p>Output 2.1.1: <u>Gender-sensitive coCo</u>-management framework established and implemented</p> <p>- 1 national <u>gender-sensitive</u> mangrove co-management framework is revised and enforced;</p> <p>- At least 6,000 HH participate in mangrove co-management¹; (at least 40% are women-headed HH);</p> <p>- At least 100 community groups are supported to sustainably manage mangrove and climate-related risks</p>	<p><u>Viet Nam</u> <u>Viet Nam</u> <u>am</u></p>	3,000,000

¹ All female-headed HH identified in the project area at pre-design phase will be targeted.

	<p>Outcome 2.2: Increasing resilience of rural HH to climate, environment and economic shocks</p> <p>- At least 4,200 HH (at least 10% female headed) have increased their resilience score by 20% (in accordance with IFAD resilience scorecard)</p>	<p>(50% female women and 30% youth, of which 50% are female);</p> <p>- 10,000 ha of mangroves re-established, protected or sustainably managed.</p> <p>Output 2.2.1: Financial incentive mechanisms (FIM) rolled out</p> <p>- Financial incentive mechanisms, including Payment for Forest Ecosystem Servicesservices (PFES), enterprise engagement and co-finance, rural finance, established and implemented;</p> <p>- At least 70% of beneficiaries receiving the project proposed FIM and investing in adaptive coastal wetland management (50% female women and 30% youth, of which 50% are female);</p> <p>- At least 20 private sector entities involved and co-investing in the mangrove areas development.</p>		
<p>Component 3:</p> <p>Knowledge Management (KM) for adaption policy impact</p>	<p>Outcome 3.1:</p> <p>Improve the evidence base for adaptive gender-sensitive coastal wetland management planning</p> <p>- At least 10 KM products on adaptive gender-sensitive coastal</p>	<p>Output 3.1.1: Knowledge Managementmanagement established and implemented for climate change awareness raising and decision making in adaptive gender-sensitive coastal wetland management</p> <p>- At least 1 baseline, 1 midterm and 1 final assessments done per province results <u>published online</u>;</p> <p>- A manual for gender-equitable community-based coastal wetland</p>	<p>Viet Nam Viet Nam (with possible scaling up to other IFAD Mekong countries)</p>	300,000

	<p>wetland management and planning promoted and/or rolled out across the Mekong Delta region of <u>Viet Nam</u>Vietnam for policy impact.</p>	<p>management planning developed and rolled-out;</p> <p><u>- An active interprovincial Climate Adaption Youth Advisory Council established;</u></p> <p>- At least 1 (virtual) learning route organized among <u>Viet Nam</u>Vietnam relevant provinces for knowledge sharing experience on innovative adaptation practices in coastal wetland management;</p> <p>- At least 5 national programme meetings attended by the project coordination unit and district facilitators;</p> <p>- At least 5 districts adopting global environmental and resilience benefit assessment tools and protocols and using the information for policy and programme design.</p>		
6. Project/Programme Execution cost				332,000
7. Total Project/Programme Cost				4,632,000
8. Project/Programme Cycle Management Fee charged by the Implementing Entity				368,000
Amount of Financing Requested				5,000,000

D. Projected Calendar:

Indicate the dates of the following milestones for the proposed project/programme

Milestones	Expected Dates
Start of Project/Programme Implementation	June, 2022
Mid-term Review (if planned)	June 2025
Project/Programme Closing	June 2027
Terminal Evaluation	December 2026

PART II: PROJECT

PART II: PROJECT / PROGRAMME JUSTIFICATION

A. Project components promoting new and scaling-up viable innovative solutions to climate change adaptation

The CM-FIM project will develop scalable approaches to climate change adaptation and innovative management of coastal wetland to help conserve biodiversity, increase mangrove forests, promote adaptation measures, and improve livelihood options of local people living near the mangrove forests in the project areas. The project will target about 6,000 households, equivalent to some 21,000 people, exposed to the adverse impacts of climate change of which 30% are classified as poor and near-poor and 25% are Khmer-ethnic minority households. In line with IFAD's focus on the coastline poorer and more underserved rural areas of Tra Vinh and Ben Tre provinces. Special Vietnam with a high concentration of ethnic minorities, special attention will be given to the most vulnerable groups such as women (at least 50% of total beneficiaries), young women and men (aged youth (age 16-30, at least 30% of total beneficiaries),) and ethnic minority groups. Due diligence and Free, Prior and Informed Consent (FPIC) will be applied when engaging with members of ethnic minorities and other vulnerable groups in the selected communities before initiating planning and implementation of activities, in compliance with the IFAD's Environmental and Social Policy of the Adaptation Fund and IFAD-updated Social, Environmental and Climate Assessment Procedures (SECAP).

COMPONENT 1: Enabling policy environment for adaptive coastal wetland management. This component aims at improving effective policies and mechanisms for coastal wetland (specifically, mangrove forests) planning and management in Tra Vinh and Ben Tre provinces. The project will complement other ongoing initiatives (the CSAT project for the period 2021-2027) supported by IFAD in the two provinces promoting land and forestland use planning through the climate informed-market oriented Socio Economic Development Plan (SEDP). As in previous and ongoing IFAD-supported projects in Viet Nam Vietnam, to ensure long-term sustainability, the integrated SEDP will form the basis for climate resilient natural resource management and economic livelihood improvement, planning, capacity building and public-private-producer partnerships (4Ps4P) and collaboration.

Sub-component 1.1 (Output 1.1): Building evidence-based approaches to adaptive coastal wetland management. This sub-component builds on the work already undertaken by research institutions, International Financial Institutions (IFIs), and IFAD's 25 years of experience working in 11 provinces in Viet Nam Vietnam. The CM-FIM project will fill the knowledge gaps on developing viable livelihood options for local communities living within and around mangrove forest areas in the face of increasing salinity, temperature and water stress, and making climate change concerns explicit in the planning and resource allocation processes at the provincial, district, and commune level. The sub-component will identify the core set of effective and adaptive coastal wetland management action research areas to be addressed. An initial update of this core set will be conducted using the IFAD experience in the regions following by (i) the identification of practices, (ii) the review and analysis of the practices, and (iii) the selection and packaging of the practices (for more details see Annex 3: Effective coastal wetland management practices identification and replication). The topics for practices selection should cover the following:

- a) Gender-sensitive and inclusive good practices of mangrove management in the region;
- b) Mechanisms mechanisms for effective gender-sensitive mangrove forests management;
- c) Options options for Financial Incentive Mechanisms (FIM) with special attention to private sector engagement;
- d) Sustainable sustainable economic livelihood options from mangrove forests.

The practice selection process set of good practices will be led by the Ministry of Natural Resources and Environment (MONRE) in cooperation with the provinces and linked closely with the IFAD-CSAT climate smart agriculture identification and selection efforts in which relevant agencies (Farmer's Union [FU, Women's Union] WU) and private sectors (enterprises and cooperatives) are closely involved/consulted. A template for thorough planning, identification, review, and selection processes is prepared in *Annex 3: Effective coastal wetland management practices identification and replication*, as guidance for MONRE and partners. Selected effective gender-sensitive coastal management practices will then be packaged into the knowledge products. The products will be primarily disseminated by local FUs and WUs targeting farmers and other mangrove management entities.

In order to ensure the effective application and replication of innovative good practices, a capacity building framework will be established (under The planning process (sub-component 1.2) to build capacity (skills and techniques) for farmers and management entities. Depending on the type of practices for a specific context, training methods will be introduced including Training of Trainers (ToT), Farmer to Farmer training (F2F), and Enterprise to Farmer training (E2F) throughout the commune level integrated SEDP planning process (sub-component 1.2). The project will help identify interests and resources for rolling-out the practices, including the capacity building requirements associated with the different actors involved. Actual priority investments, replication, and institutionalization of the practices will be undertaken under Component 2.

Sub-component 1.2 (Output 1.2): Strengthening Local capacity on planning community-based coastal wetland planning and management. This output builds on the strong and rooted foundation developed by IFAD in helping improve the commune level Socioeconomic Development Planning (SEDP) in the country including in Tra Vinh and Ben Tre provinces. A commune level SEDP is conducted annually or biennially in which local authorities and communities conduct a thorough planning process ranging from (i) natural – socioeconomic situation analyses, (ii) identification of priorities and interventions, (iii) budget identification and mobilisation, and (iv) action plans. The SEDP is the most important legal framework for natural socioeconomic development of the commune. SEDP helps converge all available resources (both nonfinancial and financial) while ensures the effective mainstreaming and integration of activities within the commune. Commune SEDP will inform the district SEDP and provincial SEDP. Accordingly, provinces and districts are expected to allocate resources to complement implementation of the SEDP.

Output 1.2 will help mainstreaming the all over the country including in Tra Vinh and Ben Tre provinces. The output supports capacity building to undertake gender-equitable community-based mangrove forest management planning focusing on climate change adaptation (CCA), disaster risk management (DRM), economic livelihood options, and commodity based planning into the SEDP process. Benefits. Results of the mainstreaming process include: (i) a landscape planning approach that integrates mangrove forest management into the larger context of land-use planning within the region, (ii) an avoidance of overlaps in wetland management and investments, and (iii) a leveraging of available resources (projects, programs, government, private sector) investing in coastal wetland management. The planning results packaged in a SEDP process will include a framework that identifies resources, interests, actors, and regulations for coastal wetland community-based mangrove forest management will be inputs for subsequent investments under Component 2.

The practice identification and selection (output 1.1), the planning efforts (output 1.2), and the subsequent implementation (outcome 2) would require significant investments in capacity building in order to efficiently and effectively operationalise the activities. A process and results will also inform the Capacity Building Framework will be developed targeting specific established by the project on topics/areas, stages, and actors. The capacity building needs assessments organised in different forms (planning meetings, workshops, surveys, studies, etc.) will inform the Framework on the actual capacity need. The capacity building framework will be detailed in the design process and updated during project implementation, at this concept note stage, the following topics/areas are considered:

- Planning: skills and methods for SEDP planning, land use and mangrove, for capacity building, including but not limited to forest use and protection economic livelihood planning, Climate Change

Adaptation (- CCA) and disaster risk management (CBDRM) planning; co-management planning; zero deforestation value chain planning, and; livelihood options; business and production planning;

- Soft skills for co-management process: communication, facilitation, negotiation, management, and report writing skills;
- Production and processing techniques that serve for the rolling out of the practices (output 1.1);
- Business development services including branding and certification serving for the engagement of enterprises into coastal wetland management;

Capacity building relating to FIMs such as matching grant management, PFES, REDD+, and policy dialogue.

COMPONENT 2: Up-scaling of innovative adaptation practices in coastal wetland management.

Building on the results from Component 1, the Component 2 will identify, select, and implement scalable and innovative approaches to climate change adaptation and management of mangrove forests in Ben Tre and Tra Vinh provinces.

Subcomponent 2.1 (Output 2.1): Establishment and implementation of gender-sensitive co-management framework. Managing coastal wetlands in general and mangroves in particular presents different challenges compared to managing terrestrial or upland forests given the unique tidal dynamics, forest architecture, and the economic livelihoods that they can support. Due to the range of overlapping interests in mangrove areas, they are particularly suited to co-management arrangements that bring together government, private sector, and rural community stakeholders to develop and implement mutually beneficial management agreements.

This output supports key stakeholders to identify and establish mechanisms for jointly managing mangrove forests in Ben Tre and Tra Vinh provinces to ensure sustainable biodiversity conservation, livelihoods and ecosystem services, taking into consideration gender dynamics.

The core set of good practices of mangrove forest co-management, as well as the planning framework developed under Component 1, will identify key stakeholders (including private sector actors), locally-led climate adaptation interventions and processes of community participation, which will set the foundation for implementation of this subcomponent, sub-component. The establishment and implementation of the gender-sensitive co-management framework requires:

- A(i) a platform for state and non-state actors, private ~~sector~~sectors, and communities to come together to discuss and agree on co-management mechanisms (50% of participants are intended to be women to increase their voice). The project will facilitate the; (ii) establishment and operation of a platform starting by identification and engagement of related coastal wetland management actors; discussion and communication of the co-management practices and mechanisms (of the results under output 1.1); consultations and selection of appropriate co-management mechanisms; and continuously monitoring and updating such mechanisms;
- Establishment of formal co-management institutional arrangements (e.g., mangrove co-management board/association) that are legally recognised by the Government of Viet Nam~~Vietnam~~ to provide assurance and momentum for community participation and benefits. This would require the involvement from central to commune level in order to review, discuss, and legally establish the co-management institutions;
- Development; (iii) implementation of the co-management regulations~~arrangements~~ that recognise the benefits and responsibilities of all stakeholders involved. The regulations will address biodiversity conservation and promote adaptation measures for livelihood improvement of local communities living within and around the mangrove forests;

Subsequent; and (iv) subsequent investments that ensure the efficiency, effectiveness, and sustainability of co-management agreements.

The good practices identified and packaged in the output 1.1 will be introduced to stakeholders for application and replication at this stage. Appropriate capacity building will be provided under the output 1.2 and possible financial support will be introduced in the output 2.2.

Subcomponent 2.2 (Output 2.2): Rolling out of Financial Incentive Mechanisms (FIM). This output is the core of the project ~~supporting and will support~~ identification and establishment of mechanisms for financing the new mangrove forest management arrangements. IFAD-funded projects in Viet Nam confirm the high demand by both rural enterprises and smallholder farmers and challenges in accessing financial services. There are existing and potential FIM for mangrove forest management including: (i) Payment for Forest Ecosystem services (PFES) promoted by the Government of Vietnam as well as initiated by other actors on a voluntary basis, (ii) engagement with private sector through development of certified eco products (e.g. Eco shrimp of Minh Phu company) with premium paid back to producers and forest owners, (iii) carbon trading credits, and (iv) other financing mechanisms and incentives. The planning processes supported under Component 1, as well as the co-management platform established under ~~subcomponent~~sub-component 2.1, will ~~consider and~~ support the analysis and identification of the options for FIM mechanisms serving as inputs for implementation of this ~~subcomponent~~sub-component. Within the region, there are existing financial services that will be brought together to compliment the co-management practices including:

- The Women Development Fund (WDF). IFAD through the previous project (The Adaptation in Mekong Delta in Ben Tre and Tra Vinh project | AMD) supported the establishment and operations of the WDFs in Tra Vinh and Ben Tre, with oversight from the provincial Women Union. The WDF is the provincial level umbrella structure for ~ 2,500 Saving and Credit groups (SCG) per province. These SCGs provide financial services (savings and loans) to poor, low-income women at commercial terms and combined with capacity building. The results have been impressive in terms of increased income and improved social status of poor, rural women within their families and society¹.
- Collaborative Group (CG) Revolving fund. During the AMD, 1,200 CGs received a matching grant of US\$3500/group. The returns from the grant investments were used to set up a revolving fund that enabled CGs to continue and roll out investments for farm inputs on a growing basis over years.
- Farmer Support Fund (FSF). The Farmer Union (FU) manages a FSF of VND 20 billion (US\$ 900,000) in each province. The FSF operation is similar to the WDF providing credit to FU members through their Farmer Collaborative Groups (CG). Each member can borrow up to VND 20 million (US\$ 900) per year.
- The Start-up Support Fund managed by the Department of Planning and Investment in Ben Tre. The fund exists in Ben Tre province with contribution from enterprises and other donors. Current portfolio averages at VND 8 billion (US\$ 360,000). The fund provides start-up grants to new businesses of up to VND 100 million (US\$ 4,500).
- The SME support fund managed by the Department of Industry and Trade in Tra Vinh province. The fund with current portfolio of VND 7 billion (US\$ 350,000) provides a grant of maximum VND 300,000 (US\$ 14,000) to SME that promote climate adaptation smart technology including ICT (E-extension, E-commerce).

The CM-FIM will facilitate and ensure that the above financial services will reach out to project areas and that the project beneficiaries, including climate vulnerable smallholder farmers and enterprises living within and around the mangrove forest areas, will have adequate access to these resources.

Apart from mobilizing the existing financial services, the CM-FIM will seek and initiate additional financial incentive mechanisms promoting co-management including:

- Payment for Forest Ecosystem services (PFES). This fund is currently initiated by the Government of Viet Nam compensating the efforts of forest protection through paying a certain amount to forest owners (~ US\$5-7/ha/year). The PFES instrument has not yet reached out widely including in the project area. Meanwhile, IFAD has initiated another PFES mechanism in one IFAD-funded project in the North of Viet Nam using the voluntary basis engaging related actors (e.g. enterprises,

¹ See IFAD Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces (AMD) supervision and completions reports.

resource users) paying to the forest owners. The PFES will be further analyzed in the context of CM-FIM and considered for application.

- Private sector engagement. IFAD has rich experience engaging with private sector in agriculture development through promotion of 4P modality arrangements. The CM-FIM will build on IFAD experience through engagement of private sector in developing and upgrading mangrove forest related products (e.g. honey, medicinal herbs, and aquaculture). There is increasing international demand on certified eco-products (e.g. ethnic minorities produce organic honey, eco-shrimp, ethnic shrimp). There is an increasing number of enterprises interested in entering this field such as the Minh Phu company, who purchased certified eco-products with premium paid back to producers and forest owners.
- Carbon trading credits. The Government of Viet Nam has built a solid legal framework for implementing the Reduced Emission from Deforestation and Forest Degradation (REDD+) setting the foundation for carbon trading credits. IFAD is currently assisting the Government in designing a REDD+ project in Central Highlands with support from the Green Climate Fund. This experience will be relevant to the CM-FIM.
- Matching grants. As development and adoption of innovations imply a broad array of risks including social, climate and market risks, there is need for a certain level of match to share risks while ensuring the commitments of parties. Experience of IFAD in development and implementation of matching grants with enterprises and group of farmers will be introduced to complement the project efforts.
- Other financing mechanisms and incentives. Apart from building concrete innovations, the CM-FIM also seeks to set an innovation pathway by continuing to identify and support options for financial incentive mechanisms promoting sustainable coastal wetland management. In doing so, CM-FIM will organize various studies and consultations, engaging other development partners and projects.

COMPONENT 3:: Knowledge managementManagement for adaptation policy impact. This component aims to further enhance the country's knowledge to reduce vulnerability, and to increase adaptive capacity by sharing data, information, and knowledge gathered from other projects and initiatives that inform policy decision makers for relevant policy development. The component will support MONRE will support the Ministry of Natural Resource and Environment in the development of a knowledge management strategy based on the outcomes of Components 1 and 2. It will focus on scalable approaches through knowledge products packaging and communications, and country-level policy engagement. Implementation of the component would require:

- Analyse and package the resultsResults from Components 1 and 2 into will be packaged as knowledge products including videos, publications, manuals/toolkits, etc. Expected outputs include at least 1 baseline, 1 midterm and disseminated within and 1 final assessments done per province results published online; a manual outside the Mekong Delta region of Vietnam for gender-equitable community-based coastal wetland management planning developed, published replication and rolled-out; an active interprovincial Climate Adaption Youth Advisory Council established and implemented online; at least 5 national programme meetings attended by the project coordination unit and district facilitators; at least 5 districts adopting global environmental and resilience benefit assessment tools and protocols and using the information for policy and programme design).
- Organize knowledge sharing and communication events from central to local levels to disseminate the good project practices (e.g. co-management, financial incentive mechanism, engagement of private sector, climate change adaptation practices) to all relevant stakeholders possible institutionalisation within the country. IFAD networks will play an important role for the dissemination and replication process (e.g. Mekong Delta Coordination Network, (virtual) learning route among Viet Nam relevant provinces).
- Where appropriate, organize capacity building for application and replication of the results.
- At provincial and central level, organize policy dialogue to communicate project results at a policy decision making level.

Organize policy advocacy events for possible policy development (e.g. co-management policy, PFES policy) including also women, girls and boys (Climate Adaption Youth Advisory Council). Further, IFAD strong partnership with the Government of Viet NamVietnam will help promote institutionalisation of the co-management practices through its ongoing and future portfolio of projects and investments as planned

under its Country Strategic Opportunities Programme (COSOP) for the period 2019-2025 agreed with the Government. At national level, efforts are being made by relevant ministries including Ministry of Planning and Investment, Ministry of Agriculture and Rural Development (MARD), and MONRE to scale-up, scale-out, and institutionalize the co-management practices, the PFES, and the REDD+. The project results will perfectly fit in the efforts of the ministries. -of Vietnam.

B. Economic, Social and Environmental Benefits

Economic benefits. The economic and financial analysis² will be conducted at the full-proposal design stage. At this stage, it is expected that there will be direct and indirect economic benefits accrued from the project. In specific:

- Direct benefits: the direct benefits will be mainly from the direct investments to farmer groups and enterprises. The proposed investments including production climate adaptation inputs, energy saving and green energy facilities, co-management contracts, processing and marketing technologies will expect to generate economic benefits including: (i) increased income, (ii) improved financial viability of enterprises, (iii) increased production and process productivity, (iv) reduced production and processing costs and hence transaction costs, and (v) increased market prices for products.
- Indirect benefits: The expected indirect benefits would come from the adequate SEDP planning, the capacity building on climate change adaptation practices, the policy dialogue and advocacy, the access to financial services, and the job creation. These will lead to adequate targeting of beneficiary groups, efficient and effective use of resources, and more inclusive decision making on investments; hence maximizing both the financial and economic impacts of the project to beneficiaries and a wide range of stakeholders.

Social and Environmental benefits. Through the proposed project, concrete benefits will directly contribute to the reduction of climate vulnerabilities and build resilience of communities and the coastal landscape in the project areas. Farmers, ethnic minorities, women and youth will benefit through:

- increased resilience of communities and coastal landscape from sustainable farm production (crop, fish) in and around the coastal wetland areas through innovative, sustainable co-management approaches;
- increased resilience of communities from increased income across the target groups through participation in fishery value chains (product type, quality and quantity meet market demand, better price along contract arrangementsConsistency with private sector, new remunerative jobs and businesses for youth and women), and other forms of FIM;
- improved biodiversity and associated ecosystem through sustainable co-management practices of wetland coastal management;
- reduced greenhouse gas emissions from increased area planted with mangroves which will increase carbon sequestration and provide ecosystem services such as acting as a filter for salinity;
- adaptation/prevention of climate change risks including salinity intrusion, hurricane, and inundation;
- increased adaptive capacity of local communities from enhanced policy, planning and management mechanisms that contribute to creation of incentives for ownership across key stakeholders.

The project will actively seek to transform gendered power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to women's and girls' inclusion and economic empowerment. Activities will be implemented with an explicit gender focus, engaging women and

² See IFAD published series of Economic and Financial Analysis guidelines:

1. IFAD Guidelines on Economic and Financial Analysis - Vol. 1: Basic concepts
2. IFAD Guidelines on Economic and Financial Analysis - Vol. 2: Minimum requirements and practical examples
3. IFAD Guidelines on Economic and Financial Analysis - Vol. 3: Case studies

young people fully as participants and beneficiaries by establishing membership and/or leadership quotas (50% female and 30% youth, of which 50% are intended to be women) in activity groups, as well as by adopting enabling measures including training approaches that increase their participation.

Ethnic minority groups will be included in all consultation processes and their aspirations and needs for livelihood improvements will be identified and addressed within their cultural context and rights. Due diligence and Free Prior Informed Consent (FPIC) will be applied when engaging with members of ethnic minority groups and other marginalized people (including Persons with Disabilities, PwD) in the project communities.

A detailed breakdown of benefits by target group and investment type will be elaborated during design.
Environmental and social impacts and potential risks and mitigation measures. During the project design phase, an assessment and analysis of the social, environmental and climate risks and impacts will be undertaken consistent with the Environment and Social Policy of the Adaptation Fund, applicable **SDGs and national** environment and social policies and regulations, and IFAD's SECAP. Given that the climate adaptation interventions will be identified by communities through a participatory planning process, an Environmental and Social Management Framework (ESMF) will be prepared to guide the project implementation unit on screening for environmental and social risks and impact and preparing the requisite site-specific environmental and social management plans. At the current project concept stage, the following key risks are identified: (i) external shocks including COVID-19 could impact the Government's commitment to effectively and efficiently implement the project; and (ii) increase in frequency and intensity of precipitation and temperature could affect the project target area before or during early project phase.

Mitigation measures. These include: An Environmental and Social Management Plan (ESMP) will be developed describing mitigation measures to manage risks and impacts identified during the environmental and social risk and impact assessment. The assessment will be carried out consistent with the national law on Environment, water management, Agricultural Restructuring Programme and the Resolution 120, the Adaptation Fund's Environmental and Social Safeguard Policy and IFAD's SECAP. The project promotes demand driven participatory approaches in line with directives from the highest political levels in Viet Nam. The two provincial governments have long-standing experience and established protocols in case of adverse climate events such as typhoons. In the recent past, these disasters have been well managed and affected people were assisted in the aftermaths. The CM-FIM project will complement disaster risk programmes by fostering resilience ex ante and enabling fast recovery ex post climate disasters.

C. Cost-effectiveness

The CM-FIM will be cost-effective through scaling up and scaling out the best practices and lessons learned throughout the regions relating to co-management and financial incentive mechanism. This will demonstrate the potential of introducing climate adaptation and remunerative innovations that it is possible to simultaneously improve biodiversity, increase production, hence income of farmers, and save significantly transaction costs (see PART II: PROJECT JUSTIFICATION). Participating in the co-management mechanism, farmers will be able to get their investment repaid in a short term (showing in high return on investment). By replicating the best practices, the project aims to create an enabling environment for a long-term sustainable approach to climate change adaptation. The innovative investments will also assist in reducing future risks and financial impacts of increasingly frequent climate events.

The project, although stand-alone, will be in close partnership with the upcoming IFAD Climate Smart Agriculture Transformation Project (CSAT). It will benefit from sharing resources and structures. This partnership will boost the cost-effectiveness of both interventions, particularly as there will be a common management structure and a linked M&E framework. Other benefits expected are improved coordination and communication, the application of common procurement

and supervision procedures (reducing costs); also, the implementation of complementary project interventions in the project areas.

The CM-FIM project also aims at facilitating the participation/empowerment as well as exploring co-financing by public institutions, co-investing by agribusinesses, and financial and in-kind contributions by target communities. These co-financing sources are integrated into the commune/district-level Socio Economic Development Planning (SEDP). The SEDP process will support and guide how the natural resources co-management mechanism CM-FIM will mobilize the co-financing by all stakeholders to achieve the intended community **sustainable development strategies**. ~~The project will contribute to the Sustainable Development Goals (SDG), especially SDG 1 (end poverty), SDG 2 (zero hunger), SDG 5 (gender equality), and SDG 13 (climate action).~~ **Expected levels of stakeholder's co-financing will be elaborated during project design.** At this moment it is foreseen that through the SEDP, the following major co-financing sources will be mobilized: (i) Public sector including the National Target Programme (NTP) for New Rural Development, NTP – Sustainable Poverty Reduction, NTP – Development of Ethnic Minorities, IFAD-supported CSAT project; Bilateral donors such as Netherlands, GIZ, JICA and International NGOs such as DFCD, IDH; (ii) Private sector including fisheries production and processing/trading enterprises and cooperatives with loans and grant supports from Farmer Support Fund, Start-up Support Fund, SME Support Fund; and (iii) Target communities contributions with microfinance services by the Women's Development Funds, Social Policy Bank, etc.

A detailed analysis of the cost-effectiveness of the proposed project will be conducted at full-proposal design phase.

D. Strategic Alignment

Alignment with national priorities. ~~The CM-FIM is The project design will be~~ fully aligned with the Government's ~~strategic~~ goals in three key development areas: (i) enabling market-led rural development, (ii) advancing access of the poor to commodity and labour markets, and (iii) enhancement of rural poor capacity to adapt to climate change. These goals are articulated in ~~Viet Nam's~~ Vietnam's Socio-Economic Development Plan (SEDP) 2021-2025 (under development), the country's Socio-Economic Development Strategy (SEDS) 2021-2030 (under development), the Law on Environment, the Law on water management, the ~~new~~ National Target Program for Climate Change Response and Green Growth ~~(under development), for the 2016-2020,~~ and the Agriculture Restructuring Programme. In the same vein, the CM-FIM project harmonizes its activities with the National Target Programme for New Rural Development (NTP NRD) and provides inputs to the National Climate Change and Green Growth policy frameworks, with the aim of scaling up accumulated ~~innovations~~ knowledge and best practices at national level. Most importantly, the CM-FIM project will echo Resolution 120 on sustainable development in the Mekong Delta region and, ~~in the same vein,~~ contribute to the National Determined Contributions to the Paris Agreement on climate change.

Alignment to SDGs and AF. ~~The project will contribute to the Sustainable Development Goals (SDG), especially SDG 1 (end poverty), SDG 2 (zero hunger), SDG 5 (gender equality), and SDG 13 (climate action).~~ **The project is fully aligned with the Strategic Result of the Adaptation Fund, in which it contributes to the goal "Assist developing country Parties to the Kyoto Protocol and the Paris Agreement that are particularly vulnerable to the adverse effects of climate change in meeting the costs of concrete adaptation projects and programmes in order to implement climate-resilient measures" and the objective "Increased resiliency at the community, national, and regional levels to climate variability and change".**

Country and local ownership. Ownership and commitment to project investments supported by IFAD have been traditionally strong in ~~Viet Nam~~ Vietnam, from the national to province, district and commune levels. A comprehensive and fully participatory pre-design process will sensitize and firmly engage provincial and local authorities. The project will seek to promote good governance, accountability and

meaningful participation by beneficiaries throughout the project cycle. To this end, the following aspects will be incorporated into project design: (i) Development of M&E arrangements that leverage collaboration with other relevant ministries and with non-state actors such as farmers organizations and civil society organizations to monitor programme performance; (ii) Development of stakeholder capacities to participate in and manage regular programme feedback mechanisms for gathering and managing views and observations; (iii) Support for capacity-building and promotion of SSTC in areas related to transparency and accountability; and (iv) Engagement in proactive public information disclosure on project implementation progress and results as a crucial aspect of creating an enabling environment for stakeholder engagement.

Harmonization and partnerships. IFAD has supported strategic efforts attaining to sustainable development in the Mekong Delta region over the past ten years. IFAD has done so in close cooperation with development partners active in the region, especially the World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), Food and Agriculture Organisation (FAO) and key bilateral partners such as the Netherlands, Agence Française de Développement (AFD) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Development partners hold regular coordination meetings e.g. the Mekong Delta Working Group and co-organise with Government the biennial Mekong Delta Forum to take stock of results, align approaches and coordinate future investments. If approved, the CM-FIM project will be formally incorporated in the Mekong Delta Coordination Network.

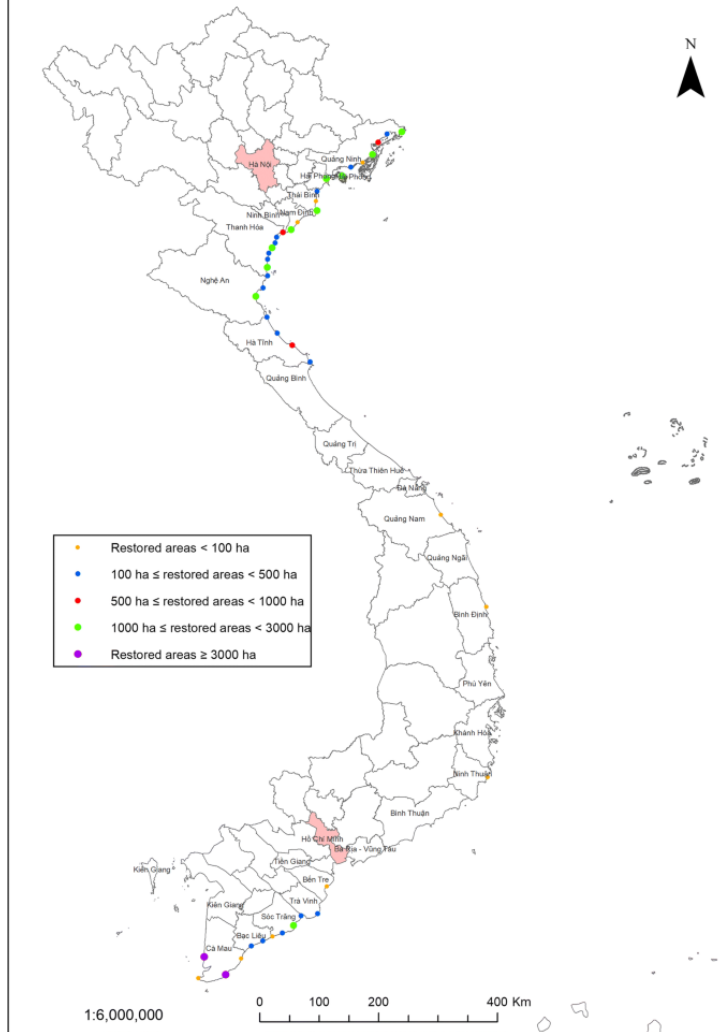
E. National Technical Standards~~Social, environmental, and~~ **Environmental Social Policy**

~~**economic benefits.** The project is designed expected to support the upcoming review of the government's Support Program to Respond to Climate Change (SP-RCC) 2016-2020, which provides policy reforms generate substantial net incremental adaptation benefits for effective implementation of climate change farmers, rural entrepreneurs and green growth actions prioritized rural households in the 2016-2020 Socio-Economic Development Plan (SEDP). National Climate Change Strategy (NCCS) target area. Benefits would directly accrue to farmers, ethnic minorities, women and Vietnam Green Growth Strategy (VGGS), youth including: (i) increased and Nationally Determined Contribution (NDC). The SP-RCC is recognized sustainable farm production (crop, fish) under Viet Nam's Plan for Implementation of the Paris Agreement (PIPA) as the platform for climate policy dialogue. The project is designed consistent with the Law on Environmental Protection 2014, which provides an adequate system to address adverse environmental risks and impacts of projects. Supporting the implementation of the Law is Decree No. 18/2015/ND-CP on Environmental Protection Planning, Strategic Environmental Assessment, Environmental Impact Assessment, around the coastal wetland areas through innovative, sustainable co-management approaches; (ii) increased incomes across the target groups through participation in fishery value chains (product type, quality and Environmental Protection Plan. Decree 19/2015/ND-CP on the implementation of a number of articles of the Law on Environmental Protection, quantity meet market demand, better price along contract arrangements with private sector; new remunerative jobs and Circular businesses for youth, EM No. 27/2015/TT-BTNMT provides detailed guidance on preparation of Strategic Environmental Assessment, Environmental Impact Assessment, and Environmental Protection Plan.~~

F. Duplication

At the stage of the proposal development, it is foreseen no duplication or overlaps in view of budget (women), and implementation in the project areas. Domestic finance will be mobilized from MONRE and the provincial budget in cash and in-kind (e.g. staff time for infrastructure planning and supervisions) and beneficiaries' in cash and in-kind contribution in co-management activities. Direct finance will mobilized from a number of public agencies such as FU who have committed to provide farmer support fund to the CM-ether forms of FIM. The microfinance institution WDF, formed under the precursor project IFAD-AMD, is committed to continue its outreach under CM-FIM in terms of savings and loans to rural women, for agriculture and small businesses (see sub-component 2.2). The project will broker additional resources from other financial institutions and donor during implementation for which the amount cannot be assessed at this stage.

Figure 2: Distribution of mangrove restoration projects in Vietnam carried out with external funding from 1990 to 2019¹



G. Consultative process

See Annex 5: Consultation report for the development of the CM-FIM and list of people consulted.

H. Justification for Funding

The CM-FIM project will develop scalable approaches to climate change adaptation and innovative management of coastal wetland to help conserve biodiversity, increase mangrove forests, promote adaptation measures, and improve livelihood options of local people living near the mangrove forests in the project areas. The project functions as additional climate adaptation financing to upscale the lessons learned and good practices regarding efficient and effective wetland management through analysis and packaging the practices and lessons learnt, disseminating the practices, planning the resource, capacity building, implementation, and policy advocacy. The table below provides the existing situation and the expected additionality that the Adaptation Fund would bring in.

Existing situation	Additionality
COMPONENT 1: Enabling policy environment for adaptive coastal wetland management	
<p>Climate and Environment risks. Viet Nam is ranked amongst the top 10 countries globally for their long-term climate risk. The Mekong Delta is considered one of the most vulnerable river deltas to climate change impacts, notably in terms of sea level rise, droughts, extreme heat, severe storms and flooding all of which are causing substantial economic and human losses. The compounded effects of global warming, the construction of 470 plus hydro-power and other dams and sand mining upstream the Mekong river system, and overexploitation of groundwater, which exacerbates land subsidence and sea level rise, have aggravated sea water intrusion in river water and cropland, which in turn increased salinity, reduced water flow, low sedimentation and reduced biodiversity. The coastal forests, including mangrove are the forefront in prevention and mitigation of various climate change risks including flood and salinity intrusion.</p> <p>Awareness deficit in mangrove management. The coastal forest areas are extremely valuable not only biodiversity but also commercial and subsistence uses. All too often, the focus has been on mangrove planting and protection, which is a tree-oriented perspective. Instead, a mangrove ecosystem perspective needs to be facilitated so that the linkages between various types of livelihood systems and the health of the ecosystem become more prominent. This underscores the need for assessments of community needs through</p>	<p>The project will mainstream the gender-equitable community-based mangrove forest management planning focusing on climate change adaptation (CCA), disaster risk management (DRM), economic livelihood options, and commodity based planning into the SEDP process at the commune level in the project areas. Benefits of the mainstreaming process include (i) a landscape planning approach that integrate mangrove forest management into the larger context of land use planning within the region, (ii) an avoidance of overlaps in wetland management and investments, and (iii) a mobilization of available resources (projects, programs, GoV, private sector...) investing in coastal wetland management. The planning results packaged in a SEDP framework that identifies resources, interests, actors, and regulations for coastal wetland management will be inputs for subsequent investments in component 2.</p> <p>The CM-FIM project will fill the knowledge gaps on developing viable livelihood options for local communities living within and around mangrove forest areas in the face of increasing salinity, temperature and water stress, and making climate change concerns explicit in the planning and resource allocation processes at the provincial, district, and commune level. The project will identify the core set of effective and adaptive coastal wetland management action research areas to be addressed. An initial update of this core set will be conducted using the IFAD experience in the regions following by (i) the identification of practices, (ii) the review and analysis of the practices, and (iii) the selection and packaging of the practices. The topics for practices selection should cover the following:</p> <ul style="list-style-type: none"> ▪ good practices of mangrove management in the region; ▪ mechanisms for effective mangrove management; ▪ options for Financial Incentive Mechanisms (FIM) with special attention to private sector engagement;

<p><u>the design of strategies for mangrove management and protection that include a participatory coastal spatial planning approach and adaptive co-management.</u></p>	<ul style="list-style-type: none"> ▪ <u>sustainable economic livelihood options from mangrove forests.</u> <p><u>A Capacity Building Framework will be developed targeting specific topics/areas, stages, and actors. The capacity building needs assessments organised in different forms (planning meetings, workshops, surveys, studies...) will inform the Framework on the actual capacity need. The capacity building framework will be detailed in the design process and updated during project implementation, at this concept note stage, the following topics/areas are considered:</u></p> <ul style="list-style-type: none"> ▪ <u>Planning: skills and methods for SEDP planning, land use and mangrove forest use and protection planning, CCA and disaster risk management (CBDRM) planning; co-management planning; zero deforestation value chain planning; business and production planning</u> ▪ <u>Soft skills for co-management process: communication, facilitation, negotiation, management, and report writing skills;</u> ▪ <u>Production and processing techniques that serve for the rolling out of the practices (output 1.1);</u> ▪ <u>Business development services including branding and certification serving for the engagement of enterprises into coastal wetland management;</u> ▪ <u>Capacity building relating to FIMs such as matching grant management, PFES, REDD</u>
<p>COMPONENT 2: Up-scaling of innovative adaptation practices in coastal wetland management</p>	
<p><u>Poverty. Most poor belong to ethnic minority groups. In the Mekong Delta region, poverty head count ratio stands at 5.9 percent, due to the high population density. Vulnerability to external shocks is prevalent among households with a strong dependence on agricultural and non-wage and wage incomes.</u></p> <p><u>On farm and off-farm activities: livelihood of all farmers living along the mangrove forests are depending on limited allocated agricultural land for rice cultivation with very few opportunities for off-farm activities. They are disadvantageous compared to those living in the inner areas. Mangrove forest is considered a state own resource that total exclude farmer from management and use. There are huge potential for promoting on farm and off-farm activities in mangrove forest through bringing together government, private sector, and community stakeholders to develop and</u></p>	<p><u>Due to a range of overlapping interests in mangrove areas, they are particularly suited to co-management arrangements that bring together government, private sector, and rural community stakeholders to develop and implement mutually beneficial management agreements. The project will build a co-management framework in the project area that requires: The establishment and implementation of the co-management framework requires:</u></p> <ul style="list-style-type: none"> ▪ <u>A platform for state and non-state actors, private sectors, and communities to come together to discuss and agree on co-management mechanisms. The project will facilitate the establishment and operation of the platform starting by identification and engagement of related coastal wetland management actors; discussion and communication of the co-management practices and mechanisms (of the results under output 1.1); consultations and selection of appropriate co-management mechanism; and continuously monitoring and updating the mechanisms.</u> ▪ <u>Establishment of formal co-management institutional arrangements (e.g., mangrove co-management board/association) that are legally recognized by the Government of Viet Nam to</u>

<p><u>implement mutually beneficial management agreements.</u></p> <p><u>Gender and youth disadvantages.</u> <u>Women and youth farmers in particular do not have access to affordable finance that would enable them to invest in climate-smart agriculture.</u></p>	<p><u>provide assurance and momentum for community participation and benefits. This would require the involvement from central to commune level review, discuss, and legally establish the co-management institutions.</u></p> <ul style="list-style-type: none"> ▪ <u>Development of the co-management regulations that recognize the benefits and responsibilities of all stakeholders involved. The regulations should respect the biodiversity conservation but promoting adaptation measures for livelihood improvement of local communities living within and around the mangrove forests.</u> ▪ <u>Subsequent investments that ensure the efficiency, effectiveness, and sustainability of co-management agreements. The good practices identified and packaged in the output 1.1 will be introduced to stakeholders for application and replication at this stage. Appropriate capacity building will be provided under the output 1.2 and the possible financial support will be introduced in the output 2.2.</u> <p><u>Co-management would require facilitation of financial resources that help stakeholders including private sectors and farmer operationalizing the co-management options. The CM-FIM will facilitate and ensure that there will be available financial services that reach out to project areas, and that the project beneficiaries, especially the poor, the ethnic minorities, women and youth will have adequate access to these resources.</u></p> <p><u>Apart from mobilizing the existing financial services, the CM-FIM will seek and initiate additional financial incentive mechanisms such as PFES, private sector engagement, matching grants, carbon trading promoting co-management.</u></p>
<p>COMPONENT 3. Knowledge Management for adaptation policy impact</p>	
<p><u>Recognition of the roles of community in coastal wetland management.</u> <u>Community members support mangrove conservation and understand their importance for protecting infrastructure and farms, supporting productivity, enabling food security, providing income-generation opportunities across communities, and addressing climate change adaptation and mitigation needs. However, aligning household incentives to mangrove management is not equally addressed that requires a formal recognition by the legal system of the GoV.</u></p>	<p><u>The component will support the Ministry of Natural Resource and Environment in the development of a knowledge management strategy based on the project outcomes. It will focus on scalable approaches through knowledge products packaging and communications, and country-level policy engagement. Implementation of the component would require:</u></p> <ul style="list-style-type: none"> ▪ <u>Analyze and package the results from Components 1 and 2 into knowledge products including videos, books, pamphlets, posters, and newspapers, etc.</u> ▪ <u>Organize knowledge sharing and communication events from central to local levels to disseminate the good project practices (e.g. co-management, financial incentive mechanism, engagement of private sector, climate change adaptation practices) to all relevant stakeholders. .IFAD</u>

	<p>networks will play an important role for the dissemination and replication process e.g. Mekong Delta Coordination Network.</p> <ul style="list-style-type: none"> ▪ Where appropriate, organize capacity building for application and replication of the results. ▪ At provincial and central level, policy dialogues will be organized to communicate the project results to a policy decision-making level. ▪ Organize policy advocacy and policy development events for possible policy development (e.g. co-management policy, PFES policy). IFAD strong partnership with the Government of Viet Nam will help promote institutionalisation of the co-management practices through its ongoing and future portfolio of projects and investments as planned under its Country Strategic Opportunities Programme (COSOP) for the period 2019-2025 agreed with the Government of Viet Nam. At national level, efforts are being made by relevant ministries including Ministry of Planning and Investment, Ministry of Agriculture and Rural Development, and Ministry of Natural Resource and Environment to scale-up, scale-out, and institutionalize the co-management practices, the PFES, and the REDD+. The project results will perfectly fit in the efforts of the ministries.
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I. Sustainability

The project results and impacts will be sustainable in all institutional/policy, social, environmental, technical and economic dimensions as justified below.

Institutional sustainability: Innovative institutions namely the SEDP planning, the natural resources co-management model using financial incentive mechanisms, 4P modality arrangements, etc. supported by the project have received high political commitment for upscaling and institutionalization by the Government at the central level including the MONRE and MARD as well as the province-level agencies. The project institutional sustainability will be achieved since the project objectives as well as the project innovative strategy, approaches, management mechanism, practical models and activities are designed in coherence with the Viet Nam SEDP 2021-2025 and the National SED Strategy 2020 – 2030 with vision to 2040. Particularly, after the historical drought and salinity occurred in Mekong Delta in 2015 and 2016, the Government issued Resolution number 120/NQ-CP on the “Master Plan for Sustainable Agriculture Development to Adapt to Climate Change in the Mekong Delta Region by 2030 and vision toward 2045”. These policy documents have been used as guiding documents for the project proposal.

Social sustainability: The project is actually based on a social empowerment process: local communities are fully involved in the planning process in which they identify and implement their prioritized socio-economic development activities. The project planning process is built on the existing SEDP mechanism, which has been promoted by IFAD during the past 15 years ago and is now institutionalized and fully financed by the local government. The social impacts on community empowerment will also be sustainable under this project through its co-management mechanism that ensures full participation and empowerment of stakeholders including the poor, smallholder farmers, ethnic minorities and female-headed households. The project direct and indirect targeting strategies will deliver social development impacts to be sustainable for these vulnerable groups through their engagement in social awareness, capacity building training courses, planning, and direct co-management activities. Similarly for all the other IFAD-completed projects, the community-based organizations namely the common interest groups, farmer’s collaborative groups and

cooperatives, natural resources co-management groups will be further developed by the local communities with support from the Viet Nam Farmer's Union, the Women's Union and the Youth Union after the project completion.

Economic and technical sustainability: The project will promote innovations in which the mangrove ecosystem is effectively managed with equitable benefit sharing that aims at sustainably reducing workload, creating an enabling environment for decent employment opportunities, and increasing incomes for the target groups, especially the poor households. At the same time, business models such as 4P will ensure that poor households and local communities can leverage their productive assets to gain access to capital, knowledge, technology and markets without putting their assets at risk.

Environmental sustainability: Major sustainable impacts of the project are on environment and natural resources management through: (i) improved biodiversity and associated ecosystem through co-management practices; (ii) increased area planted with mangroves which will increase carbon sequestration and provide ecosystem services such as acting as a filter for salinity; and (iii) improved community resilience, iv) adaptation/prevention of climate change risks including salinity intrusion, hurricane, and inundation. A detailed breakdown of benefits by target group and investment type will be elaborated during design.

The project will actively seek to transform gendered power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to women's and girls' inclusion and empowerment. Activities will be implemented with an explicit gender focus, engaging women and young people fully as participants and beneficiaries by establishing membership and/or leadership quotas (50% women and 30% youth) in activity groups, as well as by adopting enabling measures including training approaches that increase their participation.

Environmental and social impacts & potential risks and mitigation measures. During the project design phase, an analysis of environmental and social risks and impacts will be carried consistent with the Environment and Social Policy of the Adaptation Fund and the applicable national environment and social policies and regulations. At the current project concept stage, the following key risks are identified: (i) External shocks including COVID could impact the Government's commitment to effectively and efficiently implement the project; and (ii) Climate events increase in frequency and intensity could affect the project target area before or during early project phase.

Mitigation measures include: the project is fully integrated and respond to the Law on Environment, the Law on water management, the Agricultural Restructuring Programme and the Resolution 120, and the core government programmes. The project promotes demand-driven participatory approaches in line with directives from the highest political levels in Vietnam. The two provincial governments have long-standing experience and established protocols in case of adverse climate events such as typhoons. In the recent past, these disasters have been well managed and affected people were assisted in the aftermaths. The GM-FIM project will complement disaster risk programmes by fostering resilience ex-ante and enabling fast recovery ex-post climate disasters.

and inundation.

J. Environmental Key operational risk include: Agreed social and environmental safeguards are weakly implemented; and the project target groups and especially the most vulnerable groups are not included as intended in the design. Mitigation measures include: Target strategy will be developed and agreed in line with prevalent domestic policies and guidelines. Capacity building will assist domestic partners in the implementation and monitoring of the targeting strategy. Similarly, safeguards along the Environmental and Social Policy of the Adaptation Fund and domestic policies will be agreed before start-up, and ratified by the Government in accordance with national policies. Similar to other IFAD-supported operations, grievance and supervision arrangements will be put in place to ensure effective implementation and oversight.

The environmental and social impacts and risks identified as being relevant to the project / programme:

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>	X	
<i>Access and Equity</i>	X	
<i>Marginalized and Vulnerable Groups</i>		<p>The project's target groups and the ecosystems in some project areas, especially those in coastal districts, may face problems resulting from increasing climate variability and hazards (i.e., sea level rise, SWI, storms, long-lasting/heavy rain, and landslide, etc.).</p> <p>The SEDP integrated gender-equitable community-based mangrove forest management planning will address the aforementioned risks, subsequently the co-management framework with the financial incentive mechanisms will promote measures that help tolerate salinity, prevent flood, heavy wave, and wind speed.</p>
<i>Human Rights</i>	X	
<i>Gender Equity and Women's Empowerment</i>	X	
<i>Core Labour Rights</i>		<p>Child labour, forced labour, ethnicity based discrimination, overtime working, and poor working conditions.</p> <p>The project promotes transparent contract arrangement including wages and benefits, hours of work, overtime arrangements and overtime compensation, and leave for illness, maternity, vacation or holiday, that at a minimum comply with national law. This includes respecting a collective bargaining agreement with a workers' organization if there is such an agreement.</p>

<i>Indigenous Peoples</i>		<p>(for Tra Vinh only) Risk of social or economic impacts on the Khmer ethnic group, including threats to or the loss of resources of historical or cultural significance.</p> <p>The approach to the Khmer ethnic minority is consistent with IFAD's policy on ethnic minorities. Cultural differences will dictate the approach adopted. Local languages will be used in all village meeting, planning and extension sessions. District teams responsible for implementation will reflect gender balance, and their members will have command of ethnic languages. Capacity building tools will be developed in the languages of the main ethnic groups and take into consideration cultural differences. Special efforts will be made to recruit project extension agents speaking ethnic groups languages and in mobilizing and mentoring students from the ethnic schools.</p>
<i>Involuntary Resettlement</i>	X	
<i>Protection of Natural Habitats</i>	X	
<i>Conservation of Biological Diversity</i>	X	
<i>Climate Change</i>		In-depth climate risks analysis foresee increasing temperature, change in rainfall patterns, storm surge, and increasing risks of sea level rise/salinity intrusion. Risks for investments in livelihood options would be substantial if adaptation measures were not adopted.
<i>Pollution Prevention and Resource Efficiency</i>	X	
<i>Public Health</i>	X	
<i>Physical and Cultural Heritage</i>	X	
<i>Lands and Soil Conservation</i>	X	

PART III: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of Endorsement on behalf of the Government

PART III: IMPLEMENTATION ARRANGEMENTS

The Ministry of Natural Resource and Environment (MONRE) will own and implement the CM-FIM project. A Project Steering Committee (PSC) will be established at central level with participation of other ministries (MARD) and provincial representatives (PPCs, DONRE, DPI, DARD, etc.) to oversee and provide strategic guidance for project implementation.

A Project Management Unit (PMU) will be created at central level to carry out the day-to-day duties and directly implement the project in the provinces of Tra Vinh and Ben Tre. The PMU will include: (i) MONRE's officials, who are seconded to work full time in the PMU during the project implementation period and who continue to receive their salaries as public servants; and (ii) contracted staff, who are having mainly technical roles and whose fees and salaries are considered as project investment costs. The PMU will consist of at least the following core staff: a project director (overseeing the project implementation), a procurement officer, an accounting officer, a climate and environmental safeguard specialist, and a policy development specialist.

MONRE's PMU will coordinate closely with the provincial level PMUs to be established under the upcoming IFAD-funded Climate Smart Agriculture Transformation project (CSAT) in Tra Vinh and Ben Tre provinces. If required, the CM-FIM project will support additional technical specialists who could be housed at CSAT PMUs in the two provinces in order to strengthen CM-FIM field presence and develop closer operational synergies between the AF and IFAD-funded projects. These could include mangrove forest co-management specialists, value chain development and financing specialists, gender and social inclusion specialists, and an M&E and KM specialists among others.

All districts will appoint the District People's Committee (DPC) Chairperson or Vice Chairperson responsible for natural resource management as the District Project Coordinator and a member of the PSC³. The chief of the district natural resource management section will be the Deputy District Project Coordinator with responsibility to oversee project implementation at district level.

MONRE and the provincial governments will provide suitable office accommodation for the respective central PMU and SPMUs.

³ Within the Government's system, land, water resources, mineral resources, geology, environment, hydrometeorology, climate change, surveying and mapping, management of the islands and the sea are, under the purview of the Ministry of Natural Resources and Environment (MONRE) at central level, and the Department of Natural Resource and Environment (DONRE) at provincial and district levels; while forestry, aquaculture, irrigation and the salt industry are under the purview of the Ministry of Agriculture and Rural Development (MARD) at central level, and the Department of Agriculture and Rural Development (DARD) at provincial and district levels. Since the project is dealing with the issues under the management of both ministries, under the leadership of MONRE, the project will actively and closely engage DONRE and DARD at provincial and district levels in the consultation and implementation process.

Project alignment with Adaptation Fund results framework.

Project Objective(s) ¹	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Roll-out of successful innovative green financial incentive mechanisms for the benefits of actors engaged in coastal wetland management, including local communities	% of farmers with increased access to FIM for wetland management related livelihood improvement	Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets	4.1. Responsiveness of development sector services to evolving needs from changing and variable climate	
Scale-up of viable innovations for sustainable and climate resilient coastal wetlands management	% of farmers replicated and benefited from innovative and remunerative mangrove management	Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	<u>Dr Tran Hong Ha, Minister of Natural Resources and Environment, Socialist Republic of Viet Nam</u> 6.1. Percentage of households and communities having more secure (increased) access to livelihood assets 6.2. Percentage of targeted population with sustained climate resilient livelihoods	<u>Date: June, 08th, 2021</u>
Project Outcome(s)	Project Outcome Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
Climate adaptation mainstreamed into national coastal wetland policies	—At least 2 existing/new regulations, policies or strategies (at central/provincial level) improving coastal wetland management and planning proposed to policy makers for	Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities	3.1.1 No. and type of risk reduction actions or strategies introduced at local level	300,000

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¹ The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology but the overall principle should still apply

	approval, ratification or amendment.			
Capacity in place for adaptive coastal wetland management	–The capacity of at least 80% of targeted public and private actors' implementing adaptive approaches to coastal wetland management strengthened	Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	6.1.1. No. and type of adaptation assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies 6.1.2. Type of income sources for households generated under climate change scenario.	700,000
Increased community participation in adaptive coastal wetland management	–70% of HH reported increased decision/influence on coastal wetland management vis-à-vis local authorities and other decision makers (at least 10% are women-headed HH)	Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities	3.1.1 No. and type of risk reduction actions or strategies introduced at local level	2,000,000
Increasing resilience of rural HH to climate, environment and economic shocks	–At least 4,200 HH (at least 10% female headed) have increased their resilience score by 20% (in accordance with IFAD resilience scorecard)	Output 4: Vulnerable physical, natural, and social assets strengthened in response to climate change impacts, including variability	4.1.1. No. and type of development sector services modified to respond to new conditions resulting from climate variability and change (by sector and scale)	1,000,000
Improve the evidence base for adaptive coastal wetland management planning	–At least 10 KM products on adaptive coastal wetland management and planning promoted and/or rolled out across the Mekong Delta region of Vietnam for policy impact.	Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities Output 4: Vulnerable physical,	3.1.1 No. and type of risk reduction actions or strategies introduced at local level 4.1.1. No. and type of development sector services	300,000

		natural, and social assets strengthened in response to climate change impacts, including variability	modified to respond to new conditions resulting from climate variability and change (by sector and scale)	
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Project budget

Project Components/activities	AF Fund	IFAD co-financing ²	GoV Contribution (in-kind)	Grant Total (US\$)
Component 1: Enabling policy environment for adaptive coastal wetland management	1,000,000	1,000,000	500,000	2,500,000
Outcome 1.1: Climate adaptation mainstreamed into national coastal wetland policies	300,000	500,000	200,000	1,000,000
Output 1.1.1: Evidence-based approaches to adaptive coastal wetland management built				
Outcome 1.2: Capacity in place for adaptive coastal wetland management	700,000	500,000	300,000	1,500,000
Output 1.2.1: Local capacity on community-based coastal wetland management planning strengthened				
Component 2: Up-scaling of innovative adaptation practices in coastal wetland management	3,000,000	2,000,000	400,000	5,400,000
Outcome 2.1: Increased community participation in adaptive coastal wetland management	2,000,000	1,000,000	200,000	3,200,000
Output 2.1.1: Co-management framework established and implemented				
Outcome 2.2: Increasing resilience of rural HH to climate, environment and economic shocks	1,000,000	1,000,000	200,000	2,200,000
Output 2.2.1: Financial incentive mechanisms (FIM) rolled out				

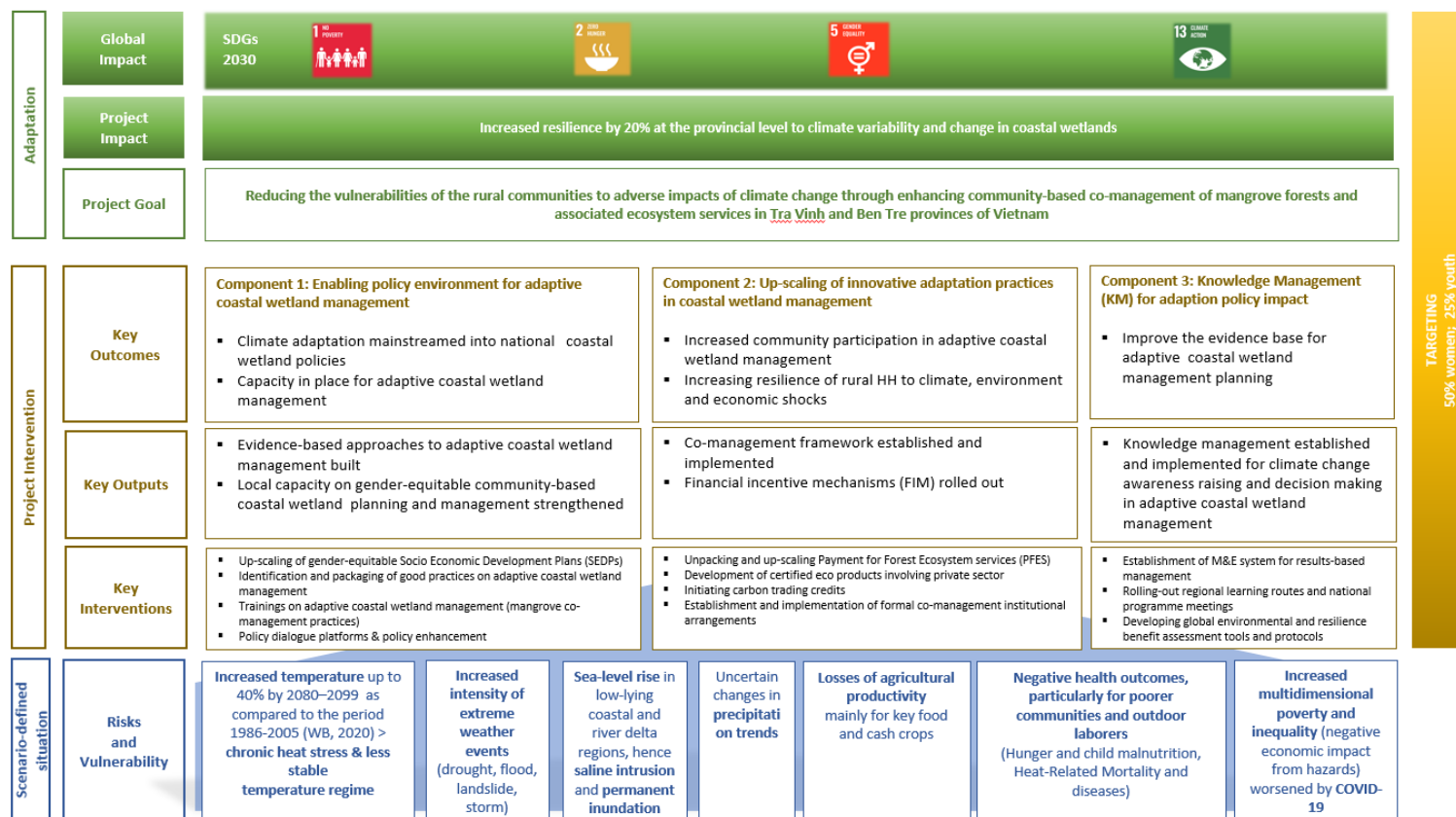
² IFAD co-financing is mobilized through the upcoming IFAD loan project to Tra Vinh and Ben Tre provinces — the Climate Smart Agriculture Transformation Project (CSAT)

Component 3:	300,000	500,000	200,000	1,000,000
Knowledge Management (KM) for adaption policy impact				
Outcome 3.1: Improved evidence base for adaptive coastal wetland management planning	300,000	500,000	200,000	300,000
–Output 3.1.1: Knowledge management and climate change awareness-raising system established and implemented for policy development and decision support for adaptive coastal wetland management	300,000	500,000	200,000	
Project/Programme Execution cost	332,000		600,000	932,000
Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)	368,000			368,000
Amount of Financing Requested	5,000,000			
TOTAL COST				10,200,000

ANNEX I: PROPOSED PROJECT AREA



ANNEX 2: THEORY OF CHANGE



TARGETING
50% women; 25% youth

ART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government⁶—Provide the name and position of the government official and indicate date of endorsement for each country participating in the proposed project / programme. Add more lines as necessary. The endorsement letters should be attached as an annex to the project/programme proposal. Please attach the endorsement letters with this template; add as many participating governments if a regional project/programme:

Dr Tran Hong Ha, Minister of Natural Resources and Environment, Socialist Republic of Vietnam	Date: June, 08 th , 2021
(Enter Name, Position, Ministry)	Date: (Month, day, year)
(Enter Name, Position, Ministry)	Date: (Month, day, year)

B. Implementing Entity certification—Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address—

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Jyotsna Puri Director, Environment, Climate, Nutrition, Gender and Social Inclusion Division, IFAD Implementing Entity Coordinator	
Date: 08-09-2021	Tel. and email: +393316235485 - j.puri@ifad.org
Project Contact Person: Kisa Mfalila , Regional Climate and Environment Specialist, Asia and the Pacific, IFAD	
Tel. And Email: +27 60-760-3374 - k.mfalila@ifad.org	

⁶— Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

C.



ADAPTATION FUND



ADAPTATION FUND

Letter of Endorsement by Government



SOCIALIST REPUBLIC OF VIET NAM
MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

Hanoi, 8th June 2021

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for “Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Vietnam”

In my capacity as designated authority for the Adaptation Fund in the Socialist Republic of Vietnam, I confirm that the above project proposal is in accordance with the government's priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the the Socialist Republic of Vietnam (Mekong Delta).

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by International Fund for Agricultural Development (IFAD) and executed by Ministry of Natural Resources and Environment of Vietnam.

Yours sincerely,



Dr. Tran Hong Ha
Minister of Natural Resources and Environment
Socialist Republic of Vietnam

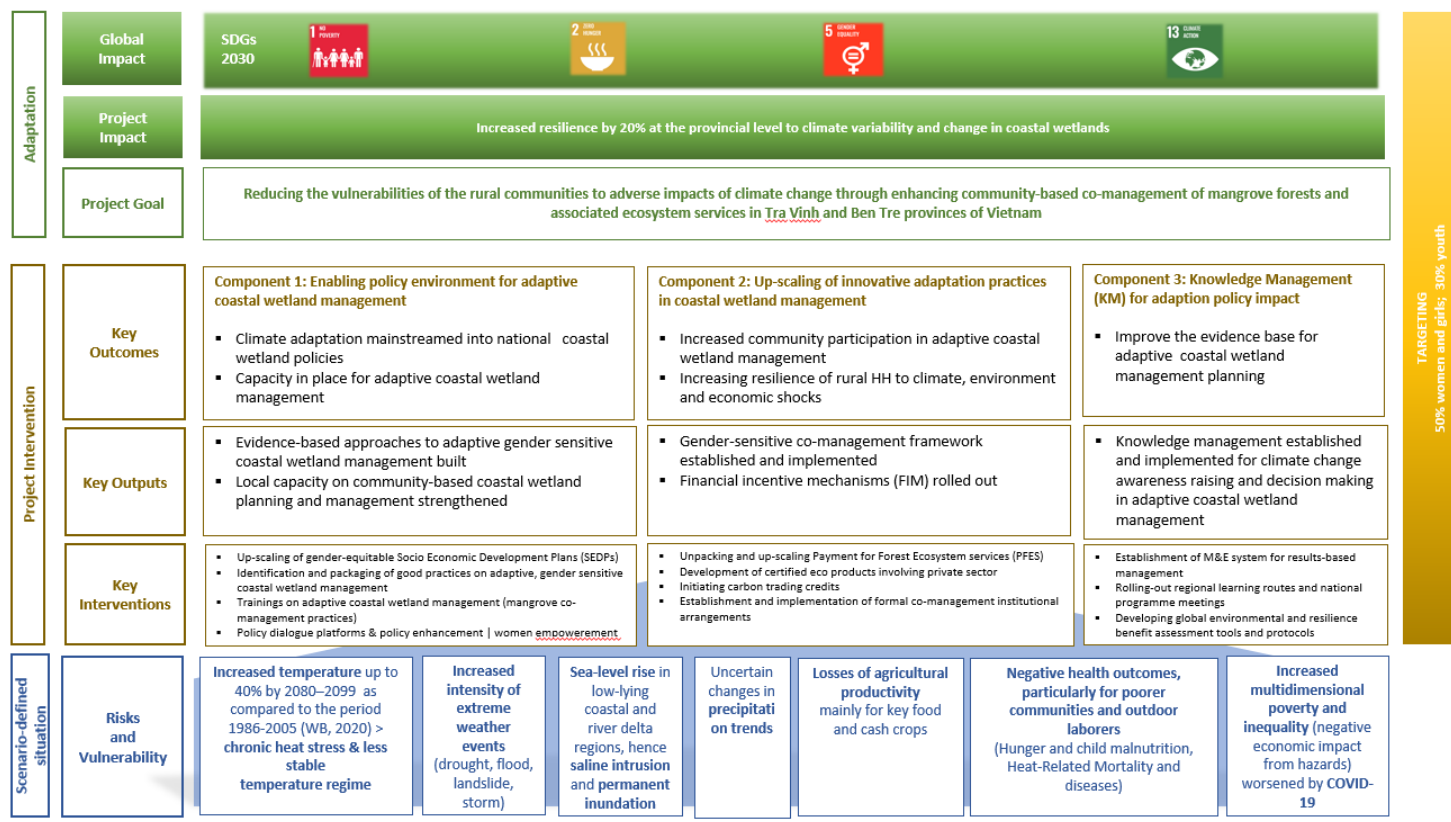
Address: 10 Ton That Thuyet street, South Tu Liem district, Ha Noi, Viet Nam
Tel: +84 4 37956868, Fax: +84 4 38359221, E-mail: icd-monre@monre.gov.vn, Website: <http://www.monre.gov.vn>

PART IV: ANNEXES

Annex 1: Proposed Project Area



Annex 2: Theory of Change



TARGETING
 50% women and girls; 30% youth

Annex 3: Effective coastal wetland management practices identification and replication



PRACTICE ANALYSIS TEMPLATE

- **Brief description**
(Explain in brief about the practice)
- **Technique and capacity requirement**
(Explain required techniques and technologies and capacity of the HHs)
- **Market assessment**
(Where appropriate, explain the market opportunity, including buyer and price stability and risks)
- **Financial analysis narrative (see details in the next page)**
(Explain the required initial investment. Explain yearly costs and revenues and profit for households)
- **Climate change risk assessment**
(Explain climate change related risks of the model and risk management)
- **Replication strategy**
(Explain feasible and realistic replication methods, as per available instruments and/or other opportunities)

Model Budget Table format								
Area/Type of production:		Estimated situation in year xxx						
Harvest Period: xx - xx		Existing practice			Optimized practice (invested by the project)			
Produce: xx		xx			xx			
Sold to: xx		xx			xx			
	Unit	No. of Units	Existing practice		No. of Units	Optimized practice		
			Unit cost vnd'000	Value vnd'000		Unit cost vnd'000	Value vnd'000	
Output	Output 1	kg						
	Output 2	kg						
	...							
Total Output / Revenue								
1. Input materials								
Seedlings								
Fertilizer								
Pesticides								
Herbicides								
...								
2. Machinery/Animal Power								
Investment cost								
Operation cost								
Costs of rent machinery								
3. Other Variable Costs								
Tools								
Packaging								
Transport								
Materials								
4. Labour								
Land preparation		day						
Planting								
Tending								
Harvesting								
...								
Total costs								
Profits (revenue-costs)								

Annex 4: Gender and Youth Assessment

Gender. Viet Nam has made great strides in promoting gender equality, largely driven by strong Government commitment. It is signatory to numerous international instruments addressing gender equality, women's rights, and women's empowerment, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Beijing Platform for Action, as well as the Sustainable Development Goals (SDGs). Gender equality is enshrined in the Constitution, and Viet Nam has successfully enacted policies and laws for the protection and promotion of women's rights.

Despite a favourable policy environment, a critical gap remains between policy and implementation. Discrimination against women and girls still persists across the country and especially in rural areas, where social norms regarding women's roles and rights are more traditional. Vietnamese society continues to face significant challenges such as violence against women and girls and a sex ratio imbalance at birth. While much progress has been made in eliminating gender-based discrimination via legislation, gaps remain. Though the ratio of women in the labor force is high, they are more engaged in the informal economy and in unpaid family labor and own-account work, which places them in a vulnerable position.

In Viet Nam, as elsewhere, the policies and plans that are not explicit about the role of women in rural development effectively exclude them; thereby retarding development, and greatly reducing its impact potential. Most policies are silent on gender and on broader issues of equity; plan objectives are gender blind; data are unavailable, inadequate or misleading; resource allocations are extremely limited; women remain invisible and strategies by-pass them; mandates and accountability for gender mainstreaming are absent; and gender awareness and commitment to equity are weak. Job descriptions rarely mention gender, and management is not held accountable for meeting either gender or social objectives. This situation generally pertains at all levels and in most development projects.

Women have limited power in many spheres of life, both private and public including economic, social, civil and political. Women's wages are still lower than that of men, even with the same level of qualifications, and more women are engaged in informal and vulnerable work with little social protection. Women's representation in leadership and management remains low. Gender inequalities in agriculture, food and nutrition security are visible in labor and in access to resources (land, finance, technology, training and markets) and agricultural extension services.

Over half (51%) of the population in Tra Vinh and Ben Tre provinces (project area) is female. Information from Tra Vinh shows strong asymmetries as regards poverty among female-headed households, especially those headed by ethnic minority females, and rural households at-large. Over one-third of poor and near-poor households are headed by women, and some 52% of these are headed by ethnic minority women. There are 6,879 female-headed households in Tra Vinh and 11,269 in Ben Tre. Poor women and female-headed households face significant difficulties in escaping from poverty. Specific constraints that restrict their ability and opportunities to engage in productive and remunerative activities include limited access to production factors, time constraints imposed by intrinsic cultural factors (e.g., child rearing, housekeeping, etc.), a lack of knowledge, skill, and experience in farm management and/or business enterprise development, as well as a lack of access to technical assistance and training opportunities to overcome these knowledge and skills gaps.

According to the Women's Unions in the two project provinces, women bear the burden for 80% of household tasks; men's contributions to household and family chores and children's education represent only 10% to 20% of the needed efforts. Male farmers participate only minimally in child rearing/child care tasks, while non-farmer males (in trade or business, or employed) seldom share these tasks with their mates. Still, in recent years there is a clear trend where more and more women engage outside the home in community work, social activities, and political participation. The participation by women in community

meetings is a form of empowerment, increasing their knowledge and access to information on issues that affect their daily lives and that of their family.

Men dominate control over land and other valuable assets and typically make the decisions about household business investment and use of income. Limited asset possession reduces women's access to credit and investment opportunities. Small-scale farmers, in particular women, face unequal access to knowledge, technology and markets. Women also face discrimination in taking part in economic and political decision-making. The discrimination faced by women often intersects with and is amplified by disadvantages that come from belonging to other vulnerable and excluded groups, such as ethnic minorities. Gender status differences are larger in some ethnic minority groups, owing to women's traditionally low level of access to education and economic opportunities. If women are to take increasing responsibility for primary production and processing, barriers around their access to, and control over, relevant resources must be removed. These include direct access to credit, land, water and other agricultural inputs; access to extension information and services, education and training; and their active participation in organizations, decision-making bodies at all levels, and, in decision-making and management.

Gender inequality is also a determinant of exposure to climate change risks as women and girls are more vulnerable to the impacts of extreme events. Good adaptation provides options to manage these risks. To address gender inequality, an amplifier of risk, adaptation must therefore address gender-based vulnerability. In the area of agriculture, gender-transformative adaptation can enhance food and nutrition security and bring other benefits such as increased socio-economic wellbeing and poverty reduction.

Credit from the formal banking sector is an input, which is relatively less accessible to women for a number of reasons, including systemic discrimination³¹ to gender differences in needs and expectations regarding customer service in credit and lending³² (IFC, 2017). Women have proven themselves, particularly through Women's Union (WU) managed Savings and Credit Groups (SCGs), to be bankable clients with rates of return often exceeding those of men. It is extremely cost-effective to make special provisions to accommodate women as users of credit in their own right, and this may include changes in rules and regulations especially for collateral, direct extension support to women, special education and training, and the provision of financial packages, which complement the provision of credit.

In terms of mangrove forest management, according to a research conducted by the University of Agriculture and Forestry of Vietnam³³ in 2018, the division of labour by gender limits women's active participation in mangrove forest management. Specifically, "women are passive in the management and use of local resources and have no voice in managing these resources. They only play a supporting role in fishing and aquaculture activities as well as in community activities. They are rather involved in small business such as selling products harvested from the mangroves and in reproductive activities. Facing natural disasters, women are thus more vulnerable than men having reduced adaptive capacities due to the inequitable distribution of rights, resources and power as well as repressive cultural rules and norms.

Research³⁴ has shown that women's role in access to mangrove management and using its resources is often limited, overlooked or under-valued, so they are unable to bring into play their own capacity. Meanwhile, both men and women have unique perspectives on why mangroves are important and how to protect them. Therefore, when both men and women join in mangrove protection, it may lead to better results.

³¹ Loan applications from qualified women are rejected at a significantly higher rate than those of equally qualified men, and where loans are provided they tend to be smaller than those provided to males.

³² Women tend to find the complexities and bureaucracy of the formal lending institutions harder to navigate, and perceive a need for stronger customer service and support than do their male counterparts. The study estimated that women's access to credit could be doubled with gender responsive customer service policies.

³³ J. Viet. Env. 2018, 9(2):92-98

³⁴ Nguyen Thi Hong Mai & Dang Thai Hoang (2018). Gender role in mangrove resource management: case study in Trieu Phong district of Quang Tri province, Vietnam. Journal of Vietnamese Environment, 9(2):92-98.

Table 1 - Gender-based activity framework (Viet Nam University of Agriculture and Forestry, 2018)

Location	Activities	Gender	Time/duration
Mangroves	Fish trapping	Male	19h-22h/day/year
	Fish netting	Male/Female	8h-9h and 16-17h /day/year.
	Electric fishing	Male	7h-10h/day/sometimes
	Aquaculture	Male	3hours/day and guard at night
	Food collection	Male/Female	3 hours per day
	Fodder harvest	Female	2 hours/day/sometimes
	Fuel wood gathering	Female	In flood season

Project responses to climate change gender inequalities. In view of the differentiated vulnerability of all smallholder farmers to the interlinked challenges of climate change³⁵, it is critical to increase the voice of women and marginalized people and empower them to develop and implement a more enabling and gender-transformative environment for addressing climate change.

CM-FIM's approach to adaptation will begin with a comprehensive analysis that includes an examination of differential vulnerability due to social, political and economic inequalities in Ben Tre and Tra Vinh provinces. Specifically, a thorough gender assessment will be conducted at the design stage of the fully developed project proposal³⁶ to:

- Further identify and analyze context-specific gender issues (e.g. gender norms; current status, challenges and needs of women; intersectional dimensions) and potential project-related risks to gender equality and women's empowerment in the project area;
- Develop informed targeting and gender strategies that (i) aim at shifting harmful and constraining gender and social norms, expanding women's agency and increasing access and rights to resources, services and opportunities; (ii) ensure equal participation of women/girls and men/boys to CM-FIM's activities; and (iii) address and mitigate against assessed potential project risks for men and women/girls and boys in relation to CM-FIM's adaptation interventions;
- Refine the gender-responsive indicators (looking at key areas of women's (and men's) empowerment), setting gender-disaggregated targets and using gender-disaggregated indicators. Specifically, the project will ensure that at least 50% of the beneficiaries are women to increase the number of women involved in adaptive coastal wetland management by overcoming identified gender-biased obstacles such as access to finance and decision-making power. The target for youth inclusion will be set at 30% to help tackle outmigration and rural youth employment. Gender concerns will also be mainstreamed into the youth targets with a balanced distribution between boys (50% of targeted youth) and girls (50% of targeted youth). Special attention will also go to targeting women from ethnic minorities and women-headed households.

The informed Gender Strategy and Gender Action Plan (GAP) to be developed will be in compliance with the National Strategy on Gender Equality in 2021 – 2030 (Resolution No. 28/NQ-CP), the AF's Environmental and Social Policy (ESP, 2013; revised in Mar 2016) and Gender policy and Action Plan (2016), and the IFAD's gender policies and procedures. It will build on experiences of previous IFAD-supported project that have proven to be effective in promoting gender equality, women's empowerment and gender transformative change through supporting multiple and complementary project activities. CM-FIM principles of targeting, gender equality and women and girls' empowerment will hence include:

- Using participatory approaches, such as Gender Action Learning System (GALS) or livelihoods and rights clubs for women, ensuring that the diverse voices of targeted people are heard equally.

³⁵ There is a causal interrelationship between climate change and gender: (1) gender inequalities lead women to face larger negative impacts of climate change, and (2) climate change tends to exacerbate existing gender inequalities (UNDP, 2012).

³⁶ See AF's Gender Policy and Action Plan of the Adaptation Fund (AF, 2016) and IFAD's How to do note: Poverty targeting, gender equality and empowerment during project design (IFAD, 2017)

or the Community-Based Adaptation (CBA) approach, to build the capacity of vulnerable men, women, boys and girls to better understand climate risks, to have a say in making decisions and in implementing various activities and to promote equal participation of women in co-management and their access to the benefits derived from the mangroves;

- Working with all household members to identify a unifying household vision providing women and men with an equal opportunity to build resilience, address their differentiated vulnerabilities and increase their capability to adapt to climate change impacts. At the same time, any discriminatory roles and relationships will be addressed;
- Using quotas selectively for participation in groups (beneficiaries are intended to be 50% female, 50% male; special attention will also go to ensure the participation of young women and those coming from ethnic minorities) and supporting women's groups, accompanied by enabling measures such as trainings on wetland co-management that take into account both women/girls and men/boys needs and possibilities and women-only focus group discussions;
- Carrying out gender awareness trainings for men and engaging with leaders, men and boys, to promote gender equality and behavioral change in community-based coastal wetland (mangrove forests) management;
- Working with partners, including government institutions and implementing agencies, to create/foster an enabling policy, institutional and cultural environment supportive of gender equality and social inclusion (e.g., manual for gender-equitable community-based coastal wetland management planning, gender awareness through trainings, policy-dialogue and learning routes, etc.). One key partner will be the Women's Union.

A gender-sensitive approach will be mainstreamed into the design and implementation of the CM-FIM project. In this sense, actions and procedures will be identified across all three components aimed at mainstreaming gender and ensuring that it provides women and men with an equal opportunity to build resilience, address their differentiated vulnerabilities and increase their capability to adapt to climate change impacts. More specifically, the project aims at promoting economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities; enabling women and men to have equal voice and influence in rural institutions and organizations; and, achieving a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.

Some specific gender-related activities that will be implemented include:

- Trainings on community-based coastal wetland planning and management that ensure women's active participation through established quota of 50% and through a prior needs assessment taking into consideration how location and timing of trainings may affect women differently from men (Component 1);
- Leadership trainings and mentoring supporting women to assume leadership roles in community-based coastal wetland planning and management, as well as strengthening the capacity of women's organizations to advocate for women's rights.
- Innovative solutions to overcoming obstacles in access to finance faced by women and youth due to the need for collateral and land ownership in securing favorable bank loans. Specifically, the project will provide financial services (savings and loans) to low-income women at commercial terms and combined with capacity building through the existing Women Development Fund (WDF)³⁷ and its Saving and Credit groups (SCG) (Component 2);
- Support to inclusive and continuous reflection, learning and feedback loops among targeted communities, government and private sector, to inform their planning, modification of innovative

³⁷ With oversight from the provincial Women Union, IFAD supported the establishment and operations of the WDFs in Tra Vinh and Ben Tre through the IFAD-funded ADM project (The Adaptation in Mekong Delta in Ben Tre and Tra Vinh).

activities and identification of capacity gaps, policy issues and demands as the climate and other circumstances change. A deliberate focus should be on ensuring that women and girls participate in this reflection and that their voices are reflected in regular learning and adaptive management, by providing a platform where they can engage with local stakeholders and articulate their own needs (Component 1 and 3);

- Establishment/broadening/strengthening of multistakeholder forums to enable coordinated planning and collective decision-making at different levels to address gender-differentiated climate risks and uncertainties (Component 1 and 3);
- Sets up of innovative E-Systems to track progress towards gender equality, including the collection of sex disaggregated data, use of indicators (including the IFAD's women's empowerment indicator, which is based on the Women's Empowerment in Agriculture Index) that specifically measure changes in gender norms, and the inclusion of women and men in programme MEL and reflection activities. The monitoring system assesses and reports on change in men's and women's adaptive capacity, secure access to resources, markets and services, participation in collective and household decision-making, services, diverse and robust sources of production and income, and nutrition, as part of the standard and agreed programme indicators to enable improvements based on adaptation learning and evidence.

To ensure continuous gender responsiveness at various stages of the project, the project's gender specialist will benefit from IFAD's technical support on targeting and gender through its Country Office's continued implementation support. Moreover, the project will collaborate with the Vietnam Women's Union (VWU)³⁸, the Department of Gender Equality of the Ministry of Labour - Invalids and Social Affairs and other relevant national women's institutions, as necessary.

Youth. There is no universally agreed definition of youth. The UN defines a young person as aged 15-24, while the Viet Nam Youth Law (2005) defines youth as aged 16-30. For the purpose of this project, we will use the Viet Nam Youth Law's definition.

Viet Nam has entered a period of "golden population structure". According to GSO 2020, in Viet Nam youth accounts for one-fifth of the total population, providing Viet Nam with a unique socio-economic development opportunity. This potential can only be tapped if young people have access to proper education, health care, employment and participation in public life. This situation calls for an urgent look at how Vietnamese young people are faring in different dimensions of well-being such as education, employment, health and civic participation in order to identify gaps in policies aimed at youth.

The total number of young people in the two provinces under the age of 30 was estimated to be 902,831 in the 2019 census (GSO, 2020). They account for 42% of the total population of Tra Vinh and 37% of Ben Tre's total population.

In Tra Vinh province, Khmer youth who complete lower secondary school or higher levels can find employment in nearby factories and plants, or if not, seek similar employment in neighboring Binh Duong or Long An provinces. For youth that remain in their villages, wages tend to be lower than those paid elsewhere, especially as compared to opportunities outside the province.

In Ben Tre province in particular, in recent years, industrial zones have been established and attracted a large number of laborers in the 18-35 age group; with more than 40,000 local youth having found employment in these zones. The PM Decree

³⁸ The VWU is a socio-political organization, representing the legal and legitimate rights and interests of Vietnamese women of all strata. The VWU strives for women's development and gender equality. The VWU is a member of the Vietnam Fatherland Front, Women's International Democratic Federation (WIDF) and ASEAN Confederation of Women's Organizations (ACWO).



SOCIALIST REPUBLIC OF VIET NAM
MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

Hanoi, 8th June 2021

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for “Promoting Financial Incentive Mechanisms for Community-based sustainable coastal wetland Management in Vietnam”

In my capacity as designated authority for the Adaptation Fund in the Socialist Republic of Vietnam, I confirm that the above project proposal is in accordance with the government's priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the the Socialist Republic of Vietnam (Mekong Delta).

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by International Fund for Agricultural Development (IFAD) and executed by Ministry of Natural Resources and Environment of Vietnam.

Yours sincerely,



Dr. Tran Hong Ha
Minister of Natural Resources and Environment
Socialist Republic of Vietnam

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No. 74/2019/ND-CP sets policies to support job creation and provides incentives for hiring of ethnic minorities and disabled persons. It also provides for loans to allow contract workers to work abroad. Over 600 young people in Tra Vinh and over 1,500 in Ben Tre, who have the technical and foreign language

skills needed to seek and obtain work, have gone abroad to work in Korea and Japan. Remittances are an important source of income and finance, especially amongst the poor, making such opportunities highly desirable.

The percentage of young people engaged in agricultural activities accounts for 25% of the total rural labor force in the provinces as per the 2019 census (GSO, 2020). This segment of the workforce is relatively better educated, having education attainments from lower secondary to upper high schools, as well as significant numbers who have graduated from college or university. Currently, due to job losses caused by the COVID-19 pandemic, more young people are returning to their homes and villages³⁹, where agriculture offers the major employment/livelihood opportunities; yet they generally lack practical farming skills. These more educated young people might bring a very positive dynamism into value chain and e-commerce development, given the opportunities to learn and apply new, and more sophisticated technologies. However, they would also be likely encounter difficulties/challenges in accessing financing formal credit services, should they be so motivated.

The transition to a market economy in Viet Nam has brought drastic changes to the labor and job markets. The positive results achieved from Doi Moi, both directly and indirectly, have greatly increased employment, equity and social welfare. Still, the increased employment and economic diversification has also meant job losses and layoffs for many workers. The transition places new pressures on young people, who find themselves caught between old and new social norms and values. Their expectations and perceptions of work diverge from what had previously been the norm. For them, a good job is not just a source of income, but also a source of self-esteem, status and social capital. Unless young women find good jobs, their bargaining power in marriage, and control over their fertility will remain limited. Thus, for these young people, their work lives have significant implications for their personal development and well-being.

Low wages and participation in the informal economy are also concerns in youth employment, especially among ethnic minorities and youth in rural areas. Ethnic minorities, particularly ethnic women, persistently have the highest share of unpaid family workers. The least developed regions of the Mekong River Delta, the Northern Uplands and the Central Highlands experience much lower wages from employment than do the more developed regions of the Red River Delta and the South East, where labor-intensive industries are located.

Of more immediate concern is the impact of COVID-19 on youth employment and opportunities, which is yet unknown. The pandemic has revealed the precarious job arrangements for youth (low wages, lack of social security) as well as having exacerbated the risks they face due to the dangerous working conditions for low paid "front line workers" in the service industries. COVID-19 related job losses are predicted to more likely to result in a transition from "non-standard" employment to unemployment, rather than an interim arrangement en route to employment. Nor does the future, post-COVID look especially promising, as the education sector is not ready to prepare youth to enter the future job market⁴⁰. In result, overqualified youth work will likely continue to work in low-skill jobs or gig employment, in an as yet only marginally organized gig economy. (Pham Thi Thu Lan, 2020)

The vocational education and training system (VET) in Viet Nam has significantly improved over the last decade, due to the greater consideration it has received from policy makers and increased public investment. Particularly in rural areas, the government has made substantial efforts to promote VET among youth and rural workers through preferential policies such as Project 1956 that provide financial subsidies and fee exemptions for VET students. The negative perception of VET is also slowly changing in Viet Nam thanks to the government's efforts to better communicate about VET via mass media and in lower secondary schools. VET is becoming increasingly accepted socially and seen as a viable option for many rural youths.

Although there has been great improvement in terms of VET quality, access and relevance, social norms (gender discrimination) around VET and employers' preference for untrained cheaper labor still prevail. Public investment in VET institutes increased and majors have become more diversified and practical.

³⁹ As yet there are no official statistics on this trend, but anecdotal evidence suggests that it may be a somewhat common phenomena.

⁴⁰ Described as "Work 4.0", this refers to how the world of work is expected to change over the next decade and beyond in response to the developments associated with the ongoing automation of traditional manufacturing and industrial practices, using modern smart technology (Industry 4.0), which includes widespread digitalization.

However, many institutes lack modern equipment and facilities to adequately train their students to be employment-ready. The quality of VET programmes varies widely from one institute to another and less popular majors are largely underfunded with unqualified teachers. Students complained about VET programmes not having enough courses on agricultural production management, marketing and business development. As automation in manufacturing changes traditional manufacturing, it will become increasingly urgent for the VET system to also prepare students seeking what are today only low or semi-skilled factory jobs.

Youth also often face difficulties in transitioning from traditional agriculture to modern “smart” and sustainable methods of production. Although vocational training in agriculture provides some technical knowledge, given the challenges of limited access to productive land, and lack of financial resources for those that do not have access to productive lands, the demand or potential for exercising such skills may also be limited to the few who come from better off households, with adequate land and access to finance. It is here where agricultural policies to underpin local value chain development and cater to domestic markets can play an important role in both economic development and opening new employment opportunities for youth. The promotion of small and medium enterprises development within agricultural sector value chains, especially in the least developed areas, would be a boon to job creation for youth.

As efficient linkages from agricultural production to processing and sales are not well-developed in these agricultural regions, and local entrepreneurs often lack business skills to develop their products, these are areas that will require attention and capacity building support. A comprehensive skills development strategy, to be embedded in the broader value chain development approach, is warranted. In addition, infrastructure improvements – both to ensure reliable market access and buffer production systems from climate/weather-related natural disasters – and access to finance and land will also be needed accompaniments.

Project responses to climate change youth inequalities. Together with the aforementioned gender assessment, a comprehensive livelihoods analysis of the target beneficiaries will be conducted before the first design mission to guide project formulation from the outset also on context-specific challenges and potential of young women and men. In terms of youth, CPM-FIM will seek to:

- Increase young women and men's knowledge on and awareness of the anthropogenic, irreversible climate change effects and take responsibility and action for change through adaptive measures. An interprovincial Climate Adaption Youth Advisory Council will be established to contribute to the collection of best practices on mangrove management within the Mekong Delta region and to open a dialogue on viable innovations for sustainable and climate resilient coastal wetlands management led by young women and men online, through social media channels (blogs, articles, e-conferences, etc.) “To think out of the box” will be the prerogative of the Climate Adaption Youth Advisory Council (see Component 1 and 3);
- Create an enabling environment for decent employment opportunities for young people through capacity building and involvement in remunerative, resilient, sustainable mangrove co-management practices, financial incentive mechanisms, including Payment for Forest Ecosystem services (PFES), enterprise engagement and co-finance (see Component 2).

Annex 5: Consultation report for the development of the CM-FIM and list of people consulted

I. Introduction

1. This stakeholder consultation report has been prepared during the development of the concept proposal: Promoting Financial Incentive Mechanisms for Community based sustainable coastal wetland management in Vie Nam (CM-FIM). It documents the consultations undertaken with all project's relevant stakeholders, especially the target groups including local communities, ethnic minority groups, the rural poor, women, and youth, and the feedback received. Adequate provisions to enhance the project benefits for target groups have been integrated into the concept proposal and will be followed up during the detailed design.

II. Consultation methods and stakeholders involved

2. The ongoing escalation of the COVID pandemic throughout the provinces in Vietnam has prevented the team from conducting direct/physical consultation with stakeholders at this current stage of the proposal. Instead, all consultations were virtually organized via Zoom, Ms. Teams, and direct phone calls. Against this inconvenience, the team organized additional rounds of consultation, using other instruments such as small group discussions, in-depth interviews, and field observations through pictures and videos.

3. Consultation with stakeholders was conducted freely, with notification and stakeholder involvement in accordance with the GoV and AF guidance. The objectives of the consultation were to: (i) inform the stakeholders about the projects, potential impacts of the project (negative impact and positive impact), (ii) Receive feedbacks from stakeholders (on the basis of identified impact), and (iii) propose development activities to ensure that target groups receive socio-economic benefits which are culturally appropriate to them, and thereby ensure widespread stakeholder support.

- Consultation instrument: During consultation, especially in the field, the interviewees are free to choose the language. For the CM-FIM, there is a group of the ethnic minority (the Khmer) residing in Tra Vinh province. Questions regarding language were raised, but they confirmed before the interview that they felt comfortable with Vietnamese language. Therefore, the consultations were conducted using Vietnamese language. In order to ensure inclusion of ethnic minority groups in the consultation, a local person who is fluent in both Vietnamese and Khmer languages was invited to participate (also virtually) in the consultation process

- Consultation process: Consultations were conducted during the period from June to August of 2021. The consultations used both in-depth individual interviews and group discussions/meetings. Both men and women participated in the consultations, especially ethnic minority women were encouraged to express their views.

4. Agencies and individuals from central to local levels involved in the consultation process including:

- Ministry of Natural Resource and Environment (MONRE).
- Provincial People's Committee (PPC) of Tra Vinh and Ben Tre provinces.
- Department of Natural Resource and Environment (DONRE) of Tra Vinh and Ben Tre provinces.
- IFAD – CSAT Project Management Unit (PMU) of Tra Vinh and Ben Tre provinces.
- District People's Committee (DPC) of Duyen Hai and Cau Ngang districts in Tra Vinh province, Thanh Phu, Ba Tri, and Binh Dai district in Ben Tre province.
- Aquaculture enterprises and business households.
- Local people living within and around mangrove forests.

III. Results of consultations

5. The first public consultation was organized with participation of MONRE, PPCs, DONREs, and PMUs in June 2021. In this meeting the team presented the proposed project information, its approaches and intended activities. It sought participant feedback on the essentiality and the relevance of the proposed project. Results include:

- MONRE: This is an important project. It echoes with the effort of MONRE in promoting the co-management efforts in wetland management. MONRE is now seeking more good practices around the country in order to advocate for a national policy on wetland co-management that ensures win-win between natural resource management and livelihood improvement. The CM-FIM, if implemented, will fit in to the policy dialogue, add one more good practice to the co-management "portfolio" of the country, that would help convince the government to approve the policy. The current running PFES fund managed by GoV would provide a good platform for the project to initiate the PFES. REDD+ platform is another source for the project to consider as part of the FIM. MONRE proposes to be the executing agency of the project together with PPCs of two provinces.
- PPCs, DONREs, and PMU at provincial level and DPC at district level: Two provinces are fully concurred with the approaches and activities of the project. Currently, although the mangrove forests are under good management, benefits to local communities living and within the mangrove are not clearly defined. Communities living within and around the mangrove forests are the key forest protector but they can also be drivers of forest destruction if their roles, responsibilities, and benefits are not clearly addressed. Tra Vinh and Ben Tre are located in the lower basin of the Mekong Delta that has suffered from climate change risks including salinity intrusion, draught, increasing temperature and floods. Mangrove forests have the potential to contribute significantly to the resilience to climate change such as preventing from salinity intrusion and flood, trapping the sediment that is good for aquaculture and crop production, and storing carbon. There are enterprises such as Minh Phu Company, Cuu Long Company currently interested in investing in eco-shrimp under the canopy of mangrove forest. They are willing to provide a certain premium apart from the price to the shrimp growers. This is an important consideration for the project in promoting and scaling up financial innovations for supporting co-management arrangements.

6. The second virtual public consultation taking place in August, 2021 was organized with five groups of communities (50 members) residing in five districts of Duyen Hai, Cau Ngang in Tra Vinh provinces, and Ba Tri, Thanh Phu, and Binh Dai in Ben Tre province. The proposed project information was presented to communities in a culturally appropriate manner. A document was prepared and delivered to local people in advance of participation. All consulted households, during consultation, confirmed that they were informed about the consultation, basic information of project's objectives and contents. The households gave broad support for implementation of the project activities. After consultation, they understood negative and positive environmental, social, and economic impacts of the project. They were also consulted on mitigation solutions of negative impacts and how to maximize and optimize positive impacts. They agreed with the proposed adaptation solutions of negative impacts as well as development activities in the proposal. The proposed activities ensure that they can receive socio-economic benefits that are appropriate to their culture. On the basis of the potential impact of the project, mitigation measures, and the development activities proposed under the proposal, the communities expressed their broad support for the subproject implementation. In specific, local communities recommended the following issues:

Construction of any infrastructure schemes (although no infrastructure investments are envisaged under this proposal, local communities still raised these concerns)

- Wherever the scheme is built, FPIC must be conducted before and during the process.
- Ensure the participation and supervision of local communities during the construction process.
- The construction of the scheme should proceed quickly to minimize the impact;
- Strengthen work and traffic safety for worker and local people;
- Ensure water supply for production of major crops.
- Ensure the O&M is in place.

Community development as part of the co-management mechanism:

- Support development and replication of good practices on integrated conservation and development of other projects in other regions.
- As for Khmer group, vocational training and job creation should be considered.
- Training on agricultural production skills and non-agricultural jobs using mangrove related products (e.g. handicraft, fish sauce)
- Support communication activities combined with cultural meetings, organizing community activities to support EM people: building groups, self-managed team, legal support group, technical support group.

- Strengthen the access to financial services.
- Strengthen communication activities in suitable language of the communities.
- Establish livelihood support for the landless in the sub-project areas or extend from existing development programs.
- Encourage agribusiness (particularly vertically integrated companies) companies to extend their value chains to create employment opportunities for the poor.
- Making use effectively the water surface under the mangrove. Aquaculture can be developed under the mangrove. While mangrove are still well protected, the area under the mangrove can be the appropriate field for raising organic, eco aquaculture that meet the international standards and markets.

7. The third round of consultation was conducted in August 2021 with participation of all stakeholders from central to commune level. In this third round of consultation, the recommendations and issues from the first and second round were revisited. In addition, detailed project activities were provided to stakeholders for discussion. Throughout the discussions, the following comments and concerns were provided:

- The Government and the province already provide various supports to wetland management through existing programs (i.e. forest protection contracts). However, there is a lack of comprehensive approach that harmonizes the needs of local communities and the government. Co-management with FIM is an innovative and appropriate process.
- Poverty incidence is still high among Khmer; majority of Khmer households work as hired labor in particular for aquaculture facilities;
- A number of Khmer households also migrate to urban centres and especially to Ho Chi Minh City; however, most of them prefer to stay in their area close to community and pagodas;
- A large number of Khmer households are living along some sections of existing dykes and rely on fisheries. Good practices for co-management should strongly consider the aquaculture activities.
- Khmer people might not be able to participate directly in some activities that require intensive investments since they are poor and/or lack of land. Project should promote pro-poor activities so that more Khmer people should participate.
- Public – private (with financial institution) platform should be considered to develop guiding the partnership development between farmers and enterprises.
- Gender and youth should be strongly considered in the project. These groups are leading in financial innovations, job creations, and entrepreneurship.
- Biodiversity conservation and livelihood improvement should be balanced in the project implementation.

8. At the stage of proposal development, the consultation process has provided valuable feedback on stakeholder views. Project activities were discussed and debated with various stakeholder groups and local communities and the local government were supportive of the project rationale. The concept proposal was also endorsed by the Minister of the MONRE.

IV. Appropriate benefits and Capacity support

9. As local communities living within and around the mangrove forest areas are the key beneficiaries of this project. During the consultation, there were various suggestions for the project to consider during detailed project design to ensure sustainable benefits to the target groups. These include:

Improving community's awareness to climate change adaptation

- This activity aims to provide awareness campaign regarding climate change adaptation. The purpose is to make the community more resilient to climate change. It will blend the traditional knowledge and practices of ethnic minorities with innovative adaptation practices. The campaign will be provided through training courses in the project area targeting vulnerable groups, especially ethnic minority people.
- Support to livelihood activities for ethnic minority and poor households

- Poor ethnic minority households are often landless and more vulnerable. Based on the experience of the previous project (IFAD - IMPP, IFAD-AMD), for the ethnic minority group, livelihood models such as aquaculture and livestock (especially cow raising/breeding) have been identified as successful models. The community also proposed pig, chicken raising model, aquaculture, honey bee as livelihood models. In addition, access to micro-credit programs managed by the Women's Union was also proposed.
- Regarding the project's proposed 4P partnership platform with enterprises, local people expressed their expectation to participate through provision of input materials to the enterprises and contract farming.
- Create more employment opportunities for the landless and land poor
- Lack of job skills has been identified as a reason of poverty especially for Khmer households. Training on agricultural production and non-agricultural skills (i.e. sewing, embroidery, knitting, machinery etc.) should be provided by the Agriculture Extension Centre for training on agriculture and by the Women's Union or the Vocational Training Centre for non-agriculture training. This activity should target around 5-10% of ethnic minority households in the project area.
- Capacity building and training for the project implementation units to ensure that ethnic minorities benefit from the project
- The Khmer community should increase awareness of the project's objectives (i.e. type proposed adaptation models, type of support) in order for them to better benefit from the project. Capacity building and training should be supported during project implementation to ensure participation and benefits to the Khmer community.

Capacity building for mass organizations

- Mass organizations (women's union and farmer's union) are key organizations to support the communities. They are present at each level (province, district, commune and village) and are very active in awareness campaign (health, safety, environment etc.), skills training and livelihood support (i.e. micro-credit, agriculture extension). The reinforcement of the reorganization will generate benefits to the whole community. Specialized technical assistance on participatory planning and project management should be offered to these mass organizations at commune and village level. The mass organization could then disseminate information and develop participation of the community. It will improve the capacity of the community to participate in project benefits and to enhance their livelihoods.
- Enhance education of the Khmer community
- Low education is a characteristic of the Khmer community. low education is also a factor of poverty. Adult literacy campaigns should be developed in project communes with Khmer communities in the project area. The project should target the young adults (20-35 y/o) who have never attended school: 50% of men and 50 % of women should be targeted. The Vocational Training Center can conduct such training.

10. The above suggestions generated during this preliminary phase of the consultation process reflect stakeholders expectations regarding the project benefits and results, especially among local communities.

11. The consultation process will continue to be conducted in a more detailed manner during project design based on the guidelines from the AF, IFAD and the GoV. Accordingly, a detailed consultation report will be developed to support project design.

Appendix 1. List of participants in the consultation process

No	Name	Position
	Ministry of Natural Resource and Environment	
1	<u>Nguyen Van Hung</u>	<u>Head of Legal Department</u>
2	<u>Nguyen Van Thi</u>	<u>Staff of Legal Department</u>
	Ben Tre province	
3	<u>Nguyen Truc Son</u>	<u>Vice chairman of the province</u>
4	<u>Nguyen Van Tam</u>	<u>Department of Natural Resource and Environment</u>
5	<u>Pham Van Tri</u>	<u>Department of Natural Resource and Environment</u>
6	<u>Nguyen Khac Han</u>	<u>Head of CSAT PMU</u>
7	<u>Nguyen Hoai Nam</u>	<u>Vice head of CSAT PMU</u>
8	<u>Tran Diem Thuy</u>	<u>Head of Planning Division – CSAT PMU</u>
9	<u>Tran Van Son</u>	<u>DPC Ba Tri district</u>
10	<u>Nguyen Gia Thinh</u>	<u>Binh Dai district</u>
11	<u>Pham Hoang Tuan</u>	<u>Thanh Phu district</u>
	Tra Vinh province	
13	<u>Nguyen Trung Hoang</u>	<u>Vice chairman of the province</u>
14	<u>Le Trong Hung</u>	<u>Department of Natural Resource and Environment</u>
15	<u>Nguyen Phan Tam</u>	<u>Department of Natural Resource and Environment</u>
16	<u>Huynh Nghia Tho</u>	<u>Head of CSAT PMU</u>
17	<u>Pham Minh Tri</u>	<u>Head of Planning Division – CSAT PMU</u>
18	<u>Huynh Quang Hai</u>	<u>Cau Ngang district</u>
19	<u>Nguyen Van Phuong</u>	<u>Duyen Hai district</u>

List of Farmers in Ben Tre participating in the consultation process

No	Name	Village	Commune	District
1	<u>Pham Thi Loan</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	<u>Ba Tri</u>
2	<u>Phạm Văn Hồ</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
3	<u>DĐoàn Hoàn Thanh</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
4	<u>Đoàn Thanh Việt</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
5	<u>Trần Văn Hùng</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
6	<u>Bùi Văn Nghê</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
7	<u>Trần Văn Lật</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
8	<u>Đặng Văn Phương</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
9	<u>Trình Hoàng Be</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
10	<u>Nguyễn Văn Dũng</u>	<u>Thanh Phước</u>	<u>Bảo Thạnh</u>	
11	<u>Trần Thị Duyên</u>	<u>Thừa Long</u>	<u>Thừa Đức</u>	<u>Binh Dai</u>
12	<u>Huỳnh Thị Viên</u>	<u>Thừa Long</u>	<u>Thừa Đức</u>	
13	<u>Dương Ngọc Dũng</u>	<u>Thừa Long</u>	<u>Thừa Đức</u>	
14	<u>Nguyễn Thị Mỹ Hạnh</u>	<u>Thừa Long</u>	<u>Thừa Đức</u>	
15	<u>Bùi Thị Tuyết Minh</u>	<u>Thừa Long</u>	<u>Thừa Đức</u>	
16	<u>Lê Văn Hâu</u>	<u>Thừa Long</u>	<u>Thừa Đức</u>	

<u>17</u>	<u>Nguyễn Văn Chày</u>	<u>Thừa Lợi</u>	<u>Thừa Đức</u>	<u>Thanh Phú</u>
<u>18</u>	<u>Nguyễn Thị Tuyết Hanh</u>	<u>Thừa Lợi</u>	<u>Thừa Đức</u>	
<u>19</u>	<u>Trần Thị Phụng</u>	<u>Thừa Lợi</u>	<u>Thừa Đức</u>	
<u>20</u>	<u>Nguyễn Thị Linh Huệ</u>	<u>Thừa Lợi</u>	<u>Thừa Đức</u>	
<u>21</u>	<u>Lê Văn Phong</u>	<u>Thừa Lợi</u>	<u>Thừa Đức</u>	
<u>22</u>	<u>Trần Văn Văn</u>	<u>Thanh Lộc</u>	<u>Thanh Phong</u>	
<u>23</u>	<u>Võ Văn Hoàng</u>	<u>Thanh Lộc</u>	<u>Thanh Phong</u>	
<u>24</u>	<u>Phan Văn Bắc</u>	<u>Thanh Lộc</u>	<u>Thanh Phong</u>	
<u>25</u>	<u>Lê Thị Lê</u>	<u>Thanh Lộc</u>	<u>Thanh Phong</u>	
<u>26</u>	<u>Võ Văn Đề</u>	<u>Thanh Lộc</u>	<u>Thanh Phong</u>	
<u>27</u>	<u>Trần Văn Diên</u>	<u>Thanh Lộc</u>	<u>Thanh Phong</u>	
<u>28</u>	<u>Phaam Văn Nghĩa</u>	<u>Thanh Lợi</u>	<u>Thanh Phong</u>	
<u>29</u>	<u>Trình Văn Nam</u>	<u>Thanh Lợi</u>	<u>Thanh Phong</u>	
<u>30</u>	<u>Hà Văn Ven</u>	<u>Thanh Lợi</u>	<u>Thanh Phong</u>	
<u>31</u>	<u>Trình Văn Công</u>	<u>Thanh Lợi</u>	<u>Thanh Phong</u>	

List of Farmers in Tra Vinh participating in the consultation process

No	Nam	Male	Female	Address
I	Duyên Hải District	-	-	-
<u>1</u>	<u>Lê Hồng Tâm</u>	<u>x</u>	-	<u>ấp Tân Khánh, xã Long Khánh</u>
<u>2</u>	<u>Pham Thi Thoai</u>	-	<u>x</u>	<u>ấp Tân Khánh, xã Long Khánh</u>
<u>3</u>	<u>Nguyễn Thị Nguyệt Nga</u>	-	<u>x</u>	<u>ấp Đình Cũ, xã Long Khánh</u>
<u>4</u>	<u>Nguyễn Thị Bích Thu</u>	-	<u>x</u>	<u>ấp Đình Cũ, xã Long Khánh</u>
<u>5</u>	<u>Nguyễn Thanh Tươi</u>	<u>x</u>	-	<u>ấp Đình Cũ, xã Long Khánh</u>
<u>6</u>	<u>Kiểm Thị Ngọc Chuyển</u>	-	<u>x</u>	<u>ấp Rach Cỏ, xã Long Vĩnh</u>
<u>7</u>	<u>Kim Ngọc Lan</u>	-	<u>x</u>	<u>ấp La Ghi, xã Long Vĩnh</u>
<u>8</u>	<u>Thạch Thị Diệp</u>	-	<u>x</u>	<u>ấp La Ghi, xã Long Vĩnh</u>
<u>9</u>	<u>Cô Văn Tâm</u>	<u>x</u>	-	<u>ấp Kinh Đào, xã Long Vĩnh</u>
<u>10</u>	<u>Thạch Thuận</u>	<u>x</u>	-	<u>ấp Kinh Đào, xã Long Vĩnh</u>
II	Cầu Ngang district	-	-	-
<u>1</u>	<u>Nguyễn Văn Thuận Em</u>	<u>x</u>	-	<u>ấp Bến Cát, xã Mỹ Long Bắc</u>
<u>2</u>	<u>Lý Thị Mai Đình</u>	-	<u>x</u>	<u>ấp Bến Cát, xã Mỹ Long Bắc</u>
<u>3</u>	<u>Nguyễn Hải Long</u>	<u>x</u>	-	<u>ấp Hạnh Mỹ, xã Mỹ Long Bắc</u>
<u>4</u>	<u>Trương Thị Thuận</u>	-	<u>x</u>	<u>ấp Hạnh Mỹ, xã Mỹ Long Bắc</u>
<u>5</u>	<u>Nguyễn Văn Tho</u>	<u>x</u>	-	<u>ấp Bến Kinh, xã Mỹ Long Bắc</u>

<u>6</u>	<u>Nguyễn Văn Phiên</u>	<u>x</u>	<u>-</u>	<u>ấp Nhì, xã Mỹ Long Nam</u>
<u>7</u>	<u>Lâm Thị Trinh</u>	<u>-</u>	<u>x</u>	<u>ấp Nhì, xã Mỹ Long Nam</u>
<u>8</u>	<u>Hà Thị Dũng</u>	<u>-</u>	<u>x</u>	<u>ấp Tư, xã Mỹ Long Nam</u>
<u>9</u>	<u>Dương Văn Đâm</u>	<u>x</u>	<u>-</u>	<u>ấp Tư, xã Mỹ Long Nam</u>
<u>10</u>	<u>Đào Văn Tào</u>	<u>x</u>	<u>-</u>	<u>ấp Tư, xã Mỹ Long Nam</u>