

**IMPLEMENTATION COMPLETION MEMORANDUM (ICM)**

TF Name: Vietnam: Hon Mun Marine Protected Area Pilot Project  
TF Number: GEF TF023877 and DANIDA TF023886  
Report Date: April 7, 2006  
Program: 2

Net Grant Amount: US\$974,731 (GEF)  
DKK6,088,905 (DANIDA)

Donor(s): Global Environment Facility  
Denmark International Development Agency  
Approval Date: March 28, 2001  
Closing Date: November 30, 2005

**A. GRANT OBJECTIVES**

Original Statement of Grant Objectives

**Goal:**

To conserve a representative example of internationally significant and threatened marine biodiversity.

**Objective:**

To enable local island communities to improve their livelihoods and in partnership with other stakeholders to effectively protect and manage the marine biodiversity at Hon Mun as a model for collaborative MPA management in Vietnam.

Changes to Grant Objectives

The objectives of the Grant, as appraised, were extremely well targeted, were consistent with the GEF mandate and took into full consideration the social, environment and economic conditions in the project area. Within the objectives, particularly concerning how to effectively protect and manage marine biodiversity, it became evident that the dialogue was needed and was undertaken to add more of an integrated coastal zone planning and management dimension to meeting that objective. Accordingly, the importance of developing such as strategy was brought to the attention of local authorities with some initial actions taken within that context by the local government.

Achievement of Grant Objectives

The projected achieved all of its planned activities, fully met its objectives and had a successful outcome. The sustainability of the Nha Trang Bay Marine Part Authority is highly likely with all of the necessary policy, institutional and budgetary needs established. As a pilot project, the transition to an independent, post-project Marine Park Authority will continue to have challenges and issues to resolve; however, all of the mechanisms are in place to foster its continuation and strengthen activity. The Table in Section II provides the details on the activities conducted under the project. Based on the accomplishments under the project, it is rated as highly satisfactory.

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**B. OUTPUT**

*Achievement of deliverables*

*1. Discuss and rate the actual output or deliverables completed, compared to the expected output, for each component of the grant.*

Basically, all of the outputs as planned under the project were satisfactorily completed with indicators showing that overall the project achieved its objective. Accordingly, it provided capacity to local communities in partnership with other stakeholders to work toward the protection and management of marine biodiversity in Nha Trang Bay as a pilot endeavor for Vietnam.

See table below for details on the project execution experience in reference to progress and outputs.

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<b>Outputs: SET-UP PHASE BENCHMARKS (to be achieved after 18 months): Component 1: Participatory Planning and Management</b>		<b>Expected Output</b>	<b>Achievement</b>
1.1 Nha Trang Bay MPA Authority established and fully staffed.	<b>11/2002</b>	<ul style="list-style-type: none"> <li>• Nha Trang Bay Authority established and fully staffed</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial Directive to establish MPA Authority</li> <li>• Base salaries paid by Provincial Government</li> <li>• Bank account for MPA Authority</li> <li>• MPA Authority has been established.</li> <li>• Structure agreed by the province</li> <li>•</li> </ul>
1.2 MPA Office is constructed	<b>12/2004</b>	<ul style="list-style-type: none"> <li>• Renovations completed</li> <li>• Relocation to new office</li> </ul>	<ul style="list-style-type: none"> <li>• Letters from PPC to MPA Authority providing permanent office facilities.</li> <li>• Contracts for renovations</li> <li>• Use of office</li> </ul>
1.3 Hon Mun Management Plan developed and endorsed by all stakeholders.	<b>07/2005</b>	<ul style="list-style-type: none"> <li>• Stakeholder meeting involving all stakeholders</li> <li>• Final draft prepared and waiting for inputs from final surveys</li> <li>• Submitted to Khanh Hoa People's Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Provincial Directive</li> <li>• Habitat report</li> <li>• Draft zoning</li> <li>• PRA – resource use maps</li> <li>• Draft Management Plan</li> </ul>
<b>Component 2: AIG Activities</b>			
2.1 Village micro-credit facilities in place.	<b>06/2003</b>	<ul style="list-style-type: none"> <li>• Credit Fund established with the Bank for Social Policy with funds of over 500 million VN Dong</li> <li>• Funds granted to the Women's Union of Vinh Nguyen Commune with a total value of 80 million VN Dong</li> </ul>	<ul style="list-style-type: none"> <li>• Contract with Bank for Social Policy</li> <li>• Minutes of meetings to approve loans</li> <li>• Financial reports from the Banks for Social Policy</li> <li>• Credit Groups established</li> <li>• Contract with Women's Union of Vinh Nguyen Commune</li> </ul>

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2.2 At least 10 pilot AIG projects designed with supporting training courses developed.	11/2002	<ul style="list-style-type: none"> <li>• Consideration of over 20 options for Alternative Income Generation Activities</li> <li>• Trials of over 15 possible activities for income generation</li> <li>• Implementation of credit programs to support 8 different livelihoods</li> <li>• Handicraft and eco-tourism (4 activities) providing employment to local people</li> </ul>	<ul style="list-style-type: none"> <li>• Minutes of meetings</li> <li>• Reports on AIG trial activities</li> <li>• Socio-economic assessment</li> <li>• Credit programs reports</li> <li>• Activity progress reports</li> </ul>
<b>Component 3: Capacity Building</b>			
3.1 MPA Training Program, courses and materials developed. 3 courses delivered.	09/2005	<ul style="list-style-type: none"> <li>• Training materials</li> <li>• Reports on training</li> <li>• Participant lists</li> </ul>	<ul style="list-style-type: none"> <li>• Over 20 training courses on various activities as detailed in project reports. These included various technical training courses, i.e. diving, gender, eco-tourism</li> <li>• Report on training course</li> <li>• Training materials</li> </ul>
3.2 MPA Authority Staff trained in MPA planning and management and community involvement.	09/2005		
3.3 Environmental Awareness Program developed and information/publicity materials produced and activities initiated.	11/2002	<ul style="list-style-type: none"> <li>• Draft Strategy has been developed</li> <li>• Range of education and awareness materials developed</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Awareness strategy developed</li> <li>• Newsletter</li> <li>• Education and awareness materials, i.e. brochures, newsletter</li> </ul>
3.4 MPA Visitors Display constructed at NIO.	05/2005	<ul style="list-style-type: none"> <li>• Visitor's centre designed, constructed and fitted with displays at Hon Mun Island</li> <li>• No need for construction of Visitor's Centre at National Oceanographic Institute</li> <li>• Site identified</li> <li>• Plans developed</li> </ul>	<ul style="list-style-type: none"> <li>• Letters to NIO</li> <li>• Notes of meetings</li> </ul>
<b>Component 4: Monitoring and Evaluation</b>			
4.1 Marine Biodiversity Assessment	11/2002	<ul style="list-style-type: none"> <li>• 100% complete</li> </ul>	<ul style="list-style-type: none"> <li>• Community monitoring report</li> </ul>

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conducted.		<ul style="list-style-type: none"> <li>• On-gong community monitoring</li> <li>• Fisheries surveys report</li> </ul>	
4.2 Community-based Monitoring Program developed.	<b>11/2002</b>	<ul style="list-style-type: none"> <li>• Program developed</li> <li>• Surveys completed</li> </ul>	<ul style="list-style-type: none"> <li>• Participants selected and trained in SCUBA diving</li> <li>• Training course under development</li> </ul>
4.3 Baseline awareness survey completed.	<b>06/2003</b>	<ul style="list-style-type: none"> <li>• Questionnaire designed</li> <li>• Issues incorporated into the community awareness survey</li> <li>• Socio-economic Report detailing with community perceptions of MPA</li> </ul>	<ul style="list-style-type: none"> <li>• Questionnaire</li> <li>• Community survey</li> </ul>
4.4 Project monitoring procedures established.	<b>09/2004</b>	<ul style="list-style-type: none"> <li>• National MPA Steering Committee established</li> <li>• Three meeting held until December 05</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Reports</li> <li>• Management routines</li> <li>• Purchasing systems</li> <li>• Minutes of meeting</li> </ul>

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<b>IMPLEMENTATION PHASE/FINAL BENCHMARKS (to be achieved after 48 months)</b>			
<b>Component 1: Participatory Planning and Management</b>			
1.1 Khanh Hoa MPA Authority, together with local community voluntary contributions, are effectively enforcing the MPA Management Plan	<b>05/2005</b>	<ul style="list-style-type: none"> <li>• Nha Trang MPA Authority established with Village MPA Committees operating in each village in the MPA.</li> <li>• Enforcement of the management plan in terms of no-fishing around Hon Mun Island.</li> <li>• Enforcement needs improvement in other three no-fishing areas</li> <li>• Mooring buoys and Crown-of-Thorn management activities in place</li> </ul>	<ul style="list-style-type: none"> <li>• Nha Trang Bay MPA Authority established</li> <li>• Approval of Structure and Function of MPA Authority by Khanh Hoa PPC</li> <li>• Temporary regulations established and approved by Khanh Hoa PPC</li> <li>• Budget approved</li> </ul>
1.2 MPA Management Plan has been reviewed, revised and adopted.	<b>05/2005</b>	<ul style="list-style-type: none"> <li>• Draft Management Plan prepared</li> <li>• Draft Management Plan circulated to key provincial agencies and PPC</li> <li>• Comments received from provincial agencies</li> <li>• Draft Management Plan revised and submitted to PPC</li> </ul>	<ul style="list-style-type: none"> <li>• Comments from various agencies on the Draft Management Plan</li> <li>• Draft Management Plan</li> <li>• Minutes of various consultation meetings</li> </ul>
<b>Component 2: AIG Activities</b>			
2.1 Pilot AIG projects are underway and are financially sustainable.	<b>05/2005</b>	<ul style="list-style-type: none"> <li>• Implementation of credit programs to support 8 different livelihood options</li> <li>• 159 households received a loan out of the 1000 households in the Project area with a repayment rate of over 94%</li> <li>• Handicraft and eco-tourism (4 activities) providing employment to local people</li> </ul>	<ul style="list-style-type: none"> <li>• Reports on AIG trial activities</li> <li>• Socio-economic assessment</li> <li>• Credit programs reports</li> <li>• Activity progress reports</li> <li>• Bank reports</li> </ul>

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<p>2.2 A system to ensure sustainable financing of the MPA is in place.</p>	<p><b>05/2005</b></p>	<ul style="list-style-type: none"><li>• “Hon Mun Service Charge” introduced for divers and swimmers in NT Bay MPA generating approximately \$50,000 in first 10 months of operation</li><li>• Introduction of “Nha Trang Bay Sightseeing Fee” expected to generate approximately \$120,000 per year for MPA Authority. The fee collection was implemented in January 2006.</li></ul>	<ul style="list-style-type: none"><li>• Tickets</li><li>• Financial reports from MPA Authority</li><li>• Boats and staff assigned to collect the “Service Charge”</li><li>• Plans for implementation of the “Nha Trang Bay Sightseeing Fee”</li></ul>
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<b>Component 3: Capacity Building</b>			
3.1 5 Training courses have been conducted.	<b>05/2005</b>	<ul style="list-style-type: none"> <li>• Over 20 training courses on various topics related to MPA management</li> </ul>	<ul style="list-style-type: none"> <li>• Reports on individual training activities</li> </ul>
3.2 Activities in the Environmental Awareness Program have been implemented and evaluated	<b>05/2005</b>	<ul style="list-style-type: none"> <li>• Over 50 education and awareness activities completed as outlined in the Environmental Awareness Strategy</li> <li>• Evaluation reports of the environmental education activities</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Awareness Strategy</li> <li>• Evaluation Report on Education and Awareness Activities</li> <li>• Individual activity reports on education and awareness activities</li> </ul>
<b>Component 4: Monitoring and Evaluation</b>			
4.1 Marine Biodiversity Assessment has been reviewed.	<b>05/2005</b>	<ul style="list-style-type: none"> <li>• Marine Biodiversity Assessment was conducted in 2002 and repeated in early 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity surveys reports</li> </ul>
4.2 Social Assessment has been reviewed	<b>12/2005</b>	<ul style="list-style-type: none"> <li>• Social assessment was reviewed and report completed</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment report</li> </ul>
4.3 Credit Program has been reviewed.	<b>12/2005</b>	<ul style="list-style-type: none"> <li>• Credit scheme was reviewed and report completed</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment report</li> </ul>

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2. *Discuss and rate as to how well the grant output met the quality standards of the recipient and the beneficiary.*

The highest international standards and experience were satisfactorily applied under the project that are consistent with the recipient's – IUCN – operational requirements and of tremendous benefit to the Nha Trang Bay Marine Park Authority that was established under the project. The Authority that was established under the project, thereby, had no prior experience as is the case with the rest of Vietnam. The purpose of the pilot project was to introduce effective management, community outreach, educational and scientific methods to the project. This was done through the engagement of key international experts who worked directly with the Authority's staff and scientists in the project area and engaged them in all project activities. In addition, international study tours were organized to other well established MPAs in the region that included pertinent provincial and communal staff as well as village leaders from the project area. The importance of applying high standards was well conveyed and adopted by Authority staff making this output highly satisfactory.

The main beneficiary of the project was Khanh Hoa Province that in collaboration with IUCN, established the Hon Mun Marine Protected Area and the Nha Trang Bay Marine Park Authority. Though the Province had virtually no experience with setting up and managing an MPA, the overall concept of the project fit well with the Government's interest and commitment to community-based, natural resource conservation. The Hon Mun MPA was identified as one critical marine habitat of fifteen that have been identified in Vietnam for marine biodiversity conservation. It thus fit well with the national as well as provincial government's interests. Moreover, the establishment of a sustainable financing program further helped assure the continuation of the program with additional demands on budgetary resources minimized. Another output of the project was to provide alternative and additional income generation opportunities for the poor villagers and fishers in the project area. This not only improved livelihood but also created the potential for reducing extractive pressure on the natural resource base. The increased capacity under the project to control illegal and destructive fishing also helped to conserve biodiversity and create the possibility of the fishery to re-generate in areas where enforcement was conducted.

## **C. OUTCOME**

### 1. Achievement of developmental results

*Discuss and rate the actual developmental results, compared to the expected outcomes, for each component of the grant.*

The project was satisfactorily implemented overall, achieving each of its planned developmental results within the planned time frame. The main outcome was to establish a sustainable managed marine protected in participatory manner and that was fully achieved. All components were implemented as designed:

- **Component 1. Participatory Planning and Management.** This component was fully accomplished with direct participation of all stakeholders. A comprehensive management plan was formulated, reviewed, adopted and is now under implementation by Khanh Hoa Province under the direct supervision of a Vice-Chair of the Khanh Hoa People's Committee. There was some delay in completing the process for the finalization of the Management Plan due to a much longer period required for full consultation and review of the plan that came toward the end of the project rather than by the end of the

first 18 months of the project. Considering that this was the first plan of its kind in Vietnam, the additional time required is understandable. The additional time did not substantially affect the implementation of the project, for temporary regulations were put in place with support of the Provincial Government. The temporary management plan was being implemented by the Nha Trang Bay Marine Park Authority.

- **Component 2. Alternative Income Generation Activities (AIGA).** The AIGA was implemented through the establishment of revolving funds that are being managed by the Bank for Social Policy and the Nguyen Vinh Commune Women's Union to assure sustainable management after the project's implementation period. All funded activities were assessed for their financial viability, environmental soundness, and social acceptability as part of the review process. The kinds of activities financed with micro-credits included aquaculture, small animal husbandry, and alternative fishing capacity for fisheries outside the protected area trading to name a few. In addition, handicraft activities such as basket weaving and production of sport nets were done as piece work with direct linkages established with manufacturing companies who provided the raw materials and purchased the finished products. Some of these activities proved to be more sustainable than others. At the close of the project, it was anticipated that the program would continue for at least 10 years.
- **Component 3. Capacity Building.** This component was highly successful through the establishment of the Nha Trang Bay Marine Park Authority that was fully staffed, with training provided to the staff on a frequent basis throughout the implementation period. Moreover, major and successful efforts were made with regard to building awareness generally in the government and the Nha Trang Bay community. through various events, schools activities, newspapers, project publications and radio and television broadcasts.
- **Component 4. Monitoring and Evaluation.** All aspects of project activities were comprehensively monitored. Baseline social and marine resource surveys were conducted with follow-up surveys done again toward the end of the project where the results of each were compared with the findings helping to make adjustments in the overall program. In addition to regular supervision that included fiduciary and procurement reviews, two independent evaluations were conducted – one at mid-term and the other at the end of the project that gave highly favorable ratings. These were in addition to similar reviews conducted by the Bank, DANIDA and MOFi at midterm and completion of the project.

Indicators	Period	Progress during project	Source
<b>Impact Indicators</b>			
Environmental Indicators, including			
<ul style="list-style-type: none"> <li>Recovery of coral reefs (increase in live coral cover in the MPA);</li> </ul>	2001-2005	<ul style="list-style-type: none"> <li>Demonstrated increase in coral cover in core zones at Hon Mun Island and around Hon Rom</li> <li>Slight decrease in other core zones due to Crown-of-Thorn Seastars</li> <li>Slight decrease in buffer zone due to specific causes such as port dredging, Crown-of-Thorn Seastars and infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>Survey reports from 2002 on status of habitats in Nha Trang Bay</li> <li>Report on re-survey of habitats in Nha Trang Bay in 2005</li> <li>Biodiversity reports on changes in system</li> <li>Crown-of-Thorn Seastars removal activities</li> </ul>
<ul style="list-style-type: none"> <li>No decrease in mangrove and seagrass cover;</li> </ul>	5/2005	<ul style="list-style-type: none"> <li>Loss of one seagrass bed in Dam Tre due to infrastructure development</li> <li>No other loss of seagrass</li> <li>Increase in mangrove cover from mangrove re-planting activities – 5 ha.</li> <li>Slight decrease in mangroves in Dam Gia due to infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey reports</li> <li>Visual observation</li> <li>Mangrove re-planting reports</li> <li>Report on re-survey of habitats in Nha Trang Bay in 2005</li> </ul>
<ul style="list-style-type: none"> <li>Statistically significant and important increase in the productivity of target fish &amp; shellfish;</li> </ul>	5/2005	<ul style="list-style-type: none"> <li>Baselines established</li> <li>No measurable change in fish catch</li> <li>Perception of fishermen that there are more fish around Hon Mun Island</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey reports</li> <li>Re-survey of habitats in Nha Trang Bay in 2005</li> <li>Socio-economic Assessment Reports</li> </ul>
<ul style="list-style-type: none"> <li>No decrease in threatened species</li> </ul>	5/2005	<ul style="list-style-type: none"> <li>Few records of threatened species in Nha Trang Bay. Thus, no perceived change in status</li> </ul>	<ul style="list-style-type: none"> <li>Baseline survey</li> <li>Re-survey of habitats in Nha Trang Bay in 2005</li> </ul>
<b>Project Impact Indicators:</b>			

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<p>1. Effective management of the MPA: the MPA Management Plan is being highly complied with, including elimination of destructive fishing practices and anchoring on corals;</p>	<p><b>8/2005</b></p>	<ul style="list-style-type: none"> <li>• Project activities implemented according to Draft Management Plan</li> <li>• 24 hour patrol presence around core zone at Hon Mun Island</li> <li>• Installation of 50 moorings around Hon Mun Island</li> <li>• Virtual elimination of dynamite fishing in Nha Trang Bay</li> <li>• Control programs for Crown-of-Thorn Starfish (COTS)</li> </ul>	<ul style="list-style-type: none"> <li>• Reports from enforcement team</li> <li>• Police reports</li> <li>• Questionnaires and feedback from local people - Socio-economic assessment</li> <li>• 50 mooring buoys established around Hon Mun Island</li> <li>• 24 hour enforcement with Patrolling Team with 14 members</li> <li>• Report on COTS collection</li> </ul>
<p>2. Adoption of commercially viable AIG activities that promote the MPA goals and result in increased income among target group community members.</p>	<p><b>5/2005</b></p>	<ul style="list-style-type: none"> <li>• Handicraft activities employing women in 3 villages in MPA</li> <li>• Seaweed aquaculture practiced by over 20 households in Nha Trang Bay</li> <li>• Two Glass-bottom basket boats operating in Nha Trang Bay</li> <li>• Credit Scheme operational and loans provided for commercially viable activities</li> </ul>	<ul style="list-style-type: none"> <li>• Credit scheme records</li> <li>• Records of meetings with operators</li> <li>• Project reports on credit activities</li> <li>• Socio-economic assessment</li> </ul>
<p>3. MPA management system is financially self-sustaining.</p>	<p><b>5/2005</b></p>	<ul style="list-style-type: none"> <li>• “Hon Mun Service Charge” introduced for divers and swimmers in NT Bay MPA generating approximately \$50,000 in first 10 months of operation</li> <li>• Plans for introduction of “Nha Trang Bay Sightseeing Fee” expected to generate approximately \$120,000 per year for MPA Authority. To be implemented in October 2005</li> </ul>	<ul style="list-style-type: none"> <li>• Tickets</li> <li>• Financial reports from MPA Authority</li> <li>• Boats and staff assigned to the collection of the “Service Charge”</li> <li>• Plans for implementation of the “Nha Trang Bay Sightseeing Fee”</li> </ul>
<p><b>4. Effective stakeholder participation in management:</b></p>			
<ul style="list-style-type: none"> <li>• Perception of stakeholders (inc fishermen, women, youth) that they are consulted and involved in</li> </ul>	<p><b>5/2005</b></p>	<ul style="list-style-type: none"> <li>• Over 50% of all villagers participated in project related activities</li> <li>• Over 50 meetings to discuss management</li> </ul>	<ul style="list-style-type: none"> <li>• PRA Reports for each village</li> <li>• Minutes of MPA committee meetings</li> </ul>

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<p>management and that management is effective;</p> <ul style="list-style-type: none"> <li>• regular village MPA committee meetings;</li> </ul>	<b>5/2005</b>	<p>plan, zoning and development of the MPA</p> <ul style="list-style-type: none"> <li>• Village MPA Committees have been established</li> <li>• 2 or 3 monthly meetings are held with MPA Village Committees</li> </ul>	<ul style="list-style-type: none"> <li>• Socio-economic surveys - 2002</li> <li>• Socio-economic survey -2005</li> <li>• Commune Letter to nominate members to Village MPA Committees</li> <li>• Reports from village MPA meetings</li> </ul>
<ul style="list-style-type: none"> <li>• Provincial Steering Committee meets at least every six months and includes village representatives</li> </ul>	<b>5/2005</b>	<ul style="list-style-type: none"> <li>• PSC Committee met on at least 8 occasions</li> <li>• Commune representatives participating in the meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• Papers and minutes of PSC meetings</li> </ul>
<p>5. Indicators of improved livelihoods amongst local island communities (to be defined in collaboration with communities during SET-UP PHASE).</p>	<b>5/2005</b>	<ul style="list-style-type: none"> <li>• Increased average income for villagers in Nha Trang Bay</li> <li>• Over 90% of loans repaid from the credit scheme</li> <li>• Activities of the Environment Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>• PRA Reports for each village</li> <li>• Minutes of MPA committee meetings</li> <li>• Socio-economic surveys – 2002</li> <li>• Socio-economic survey -2005</li> </ul>

## (2) Replicability

The Hon Mun MPA Pilot Project has established the first comprehensive MPA in Vietnam and is a model for the development of MPAs in Vietnam.

As a model, between 2001 and September 2005 there has already been replication of the achievements to date. These included:

- Study tours to Nha Trang Bay MPA by other planned MPAs and PAs in Vietnam. These included visits from Cu Lao Cham MPA, Ha Long Bay Management Authority, Yok Don National Park and Kien Giang Province;
- Development of lessons learned document to provide inputs into the development of a National System of MPAs in Vietnam;
- Inputs into the National Steering Committee towards the development of a National System of MPAs; and
- Participation by senior staff from other MPAs, PAs and Government agencies in various training courses organized by the project on MPA planning and development. This included a comprehensive training program in December 2005 with 35 MPA managers from China, Cambodia and Vietnam participating in the training program.

Future anticipated efforts towards replication include:

- Plans for establishment of a national training centre in Nha Trang to disseminate the lessons learned from the Hon Mun MPA Pilot Project both in Vietnam and throughout the region;
- National training course on MPAs to be organized in Nha Trang in December 2005 using Nha Trang Bay MPA as a case study;
- Nha Trang Bay MPA will serve as a model for MPA development of the other 14 MPAs that are to be developed in Vietnam; and
- Mooring Buoy Team has been invited to provide training to install moorings in other MPAs in Vietnam.

## (3) Stakeholder Involvement –

Stakeholder involvement and participation was factored into all aspects of project activities. The involvement occurred at a number of levels. These included:

- *Villagers and local people* were involved in a range of activities. This included Participatory Rural Appraisal (PRA), identification of livelihood options, credit schemes, zoning and education and awareness activities;
- *Village Marine Protected Areas Committees* were established in each village of the six villages in the MPA. These committees, comprising 5-6 members, were responsible for implementing many activities in the MPA. These committees would meet with the Nha Trang Bay MPA Authority and the project each 2 or 3 months to discuss the project implementation and the process for establishment of Nha Trang Bay MPA;
- *Provincial Steering Committee* comprising a range of government agencies from Khanh Hoa Province and commune representation met on 8 occasions;
- The *National Marine Protected Area Advisory Committee* acted as the *National Steering Committee* of the project. This Committee met in Nha Trang on one occasion and in Hai Phong and Hanoi. The Hon Mun MPA Pilot Project provided a number of case studies for discussion at these committee meetings; and

- Over 20 training courses were organized to build skills of all stakeholders in a number of areas related to the implementation of MPAs. This included formal and informal training activities, national and international study tours, and on-the-job training.

#### **(4) Monitoring and Evaluation**

Monitoring and evaluation was considered on the following levels:

- **Community level:** The Village MPA Committees planned, monitored and evaluated the progress of project implementation. This provided useful feedback into the project's implementation plans and assisted in ensuring the project met the needs of local users;
- **Provincial level:** The Nha Trang Bay MPA Authority is a provincial agency. As such it reports to Khanh Hoa Province. Bank Supervision Aide-memoires were translated into Vietnamese and forwarded to the Khanh Hoa PPC. The Provincial Steering Committee held regular meetings and provided guidance and plans and activities;
- **National level:** The National MPA Steering Committee received reports from the Hon Mun MPA Pilot Project at each of its three meetings. In addition, a workshop was held in 2002 providing an update on activities;
- **IUCN:** As the Executing Agency, IUCN monitoring and evaluation controls were in place for technical, administrative and financial management. Regular accounts were maintained, audits conducted and technical reports reviewed. IUCN also commissioned two independent evaluations during the life of the project; and
- **PMU:** A project organizational structure was established and workplans developed for each Unit. Implementation was monitored through a weekly planning meeting. In addition, there were regular planning meetings to review quarterly, semi-annual and annual plans.

#### **(5) Special Project Circumstances (optional)**

- The rapid increase in aquaculture within Nha Trang Bay provided an additional challenge in the planning for Nha Trang Bay Marine Protected Area. This increase in aquaculture changed the perception of local people on the viability of other Alternative Income Generation (AIG) activities.
- Rapid development of infrastructure in and around Nha Trang Bay MPA created and number of environmental impacts. These developments were planned prior to and during the implementation of the project with little consideration of potential environmental impacts.

#### **(6) Institutional Capacity / Partner Assessments (optional)**

Khanh Hoa Province, through the Nha Trang Bay MPA Authority, will be responsible for the management of Nha Trang Bay. As a new agency, the Nha Trang Bay MPA Authority faced a number of difficulties in its attempts to coordinate the rapid development occurring in the Bay. This agency will require strengthening and further development to ensure its capacity to manage Nha Trang Bay MPA. However sound legal frameworks, an income stream and the commitment of the local government will ensure it will maintain an important role in the management of the bay.

#### **2. Relevance**

The project was highly relevant consistent with Vietnam's development priorities as they pertain to natural resource management, particularly marine biodiversity. The project was the first of its

kind in the country and thus a pilot project that in part was implemented to form the basis and methodology for the establishment of a system of 15 pre-identified national marine protected areas as well as others initiated at the local government and community levels. The project was also fully consistent with the 1998 Bank Group Assistance Strategy for the period of FY1998-2002 when the project was formulated and started implementation in that it contributed to deepening the quality and sustainability of development through contributing to the share of the Bank Group involvement in rural development and natural resource management. It further remained consistent with the 2003-2006 Country Assistance Strategy in that it supported improvements in sustainable natural resource management through the development of a framework to enable community participation in natural resources management. The project was also consistent with the Bank's sector strategy toward the conservation and sustainable management of natural resources and biodiversity conservation as well as the seventh Millennium Development Goal to ensure environmental sustainability. It was also consistent with DANIDA's objectives regarding sustainable development and natural resource management. DANIDA was a co-financier with the GEF and Government of the project.

### 3. Efficacy

*Rate how well the activity achieved its stated grant objectives.*

#### **(1) Project Sustainability**

The sustainability of the Nha Trang Bay MPA will be discussed in relation to the following factors:

#### **(2) Replicability**

The Hon Mun MPA Pilot Project has established the first comprehensive MPA in Vietnam and as a model for the development of MPAs in Vietnam.

As a model, between 2001 and September 2005 there has already been replication of the achievements to date. These included:

- Study tours to Nha Trang Bay MPA by other planned MPAs and PAs in Vietnam. These included visits from Cu Lao Cham MPA, Ha Long Bay Management Authority, Yok Don National Park and Kien Giang Province;
- Development of lessons learned document to provide inputs into the development of a National System of MPAs in Vietnam;
- Inputs into the National Steering Committee towards the development of a National System of MPAs; and
- Participation by senior staff from other MPAs, PAs and Government agencies in various training courses organized by the project on MPA planning and development.

Future anticipated efforts towards replication include:

- Plans for establishment of a national training centre in Nha Trang to disseminate the lessons learned from the Hon Mun MPA Pilot Project both in Vietnam and throughout the region;
- National training course on MPAs to be organized in Nha Trang in December 2005 using Nha Trang Bay MPA as a case study;
- Nha Trang Bay MPA will serve as a model for MPA development of the other 14 MPAs that are to be developed in Vietnam; and



- Mooring Buoy Team has been invited to provide training to install moorings in other MPAs in Vietnam.

### **(3) Stakeholder Involvement –**

Stakeholder involvement and participation was factored into all aspects of project activities. The involvement occurred at a number of levels. These included:

- *Villagers and local people* were involved in a range of activities. This included Participatory Rural Appraisal (PRA), identification of livelihood options, credit schemes, zoning and education and awareness activities;
- *Village Marine Protected Areas Committees* were established in each village of the six villages in the MPA. These committees, comprising 5-6 members, were responsible for implementing many activities in the MPA. These committees would meet with the Nha Trang Bay MPA Authority and the project each 2 or 3 months to discuss the project implementation and the process for establishment of Nha Trang Bay MPA;
- *Provincial Steering Committee* comprising a range of government agencies from Khanh Hoa Province and commune representation met on 8 occasions;
- The *National Marine Protected Area Advisory Committee* acted as the *National Steering Committee* of the project. This Committee met in Nha Trang on one occasion and in Hai Phong and Hanoi. The Hon Mun MPA Pilot Project provided a number of case studies for discussion at these committee meetings; and
- Over 20 training courses were organized to build skills of all stakeholders in a number of areas related to the implementation of MPAs. This included formal and informal training activities, national and international study tours, and on-the-job training.

### **(4) Monitoring and Evaluation**

Monitoring and evaluation was considered on the following levels:

- **Community level:** The Village MPA Committees planned, monitored and evaluated the progress of project implementation. This provided useful feedback into the project's implementation plans and assisted in ensuring the project met the needs of local users;
- **Provincial level:** The Nha Trang Bay MPA Authority is a provincial agency. As such it reports to Khanh Hoa Province. Bank Supervision Aide-memoires were translated into Vietnamese and forwarded to the Khanh Hoa PPC. The Provincial Steering Committee held regular meetings and provided guidance and plans and activities;
- **National level:** The National MPA Steering Committee received reports from the Hon Mun MPA Pilot Project at each of its three meetings. In addition, a workshop was held in 2002 providing an update on activities;
- **IUCN:** As the Executing Agency, IUCN monitoring and evaluation controls were in place for technical, administrative and financial management. Regular accounts were maintained, audits conducted and technical reports reviewed. IUCN also commissioned two independent evaluations during the life of the project; and
- **PMU:** A project organizational structure was established and workplans developed for each Unit. Implementation was monitored through a weekly planning meeting. In addition, there were regular planning meetings to review quarterly, semi-annual and annual plans.

**(5) Special Project Circumstances (optional)**

- The rapid increase in aquaculture within Nha Trang Bay provided an additional challenge in the planning for Nha Trang Bay Marine Protected Area. This increase in aquaculture changed the perception of local people on the viability of other Alternative Income Generation (AIG) activities.
- Rapid development of infrastructure in and around Nha Trang Bay MPA created and number of environmental impacts. These developments were planned prior to and during the implementation of the project with little consideration of potential environmental impacts.

**(6) Institutional Capacity / Partner Assessments (optional)**

Khanh Hoa Province, through the Nha Trang Bay MPA Authority, will be responsible for the management of Nha Trang Bay. As a new agency, the Nha Trang Bay MPA Authority faced a number of difficulties in its attempts to coordinate the rapid development occurring in the Bay. This agency will require strengthening and further development to ensure its capacity to manage Nha Trang Bay MPA.

*4. Efficiency*

*Rate the results of this activity relative to its associated costs, implementation times and economic and financial returns.*

The funding available under the project was effectively used. Some reallocation was required from the original plan and all was used to meet the objectives of the project.

**D. IMPACT**

*1. Capacity Building Impact*

*Rate how well this activity contributes to capacity building – Highly Satisfactory.*

The capacity building dimension of the project is one of the more remarkable aspects and major achievements accomplished under the project. At the start of the project, a marine protected area was essentially a concept in the minds of the local Government, communities and other stakeholders. At the conclusion of the project, the Nha Trang Bay Marine Park Authority was fully staffed with trained personnel; a management plan was adopted, a sustainable financing program was in place; public education programs were developed and broadcast with supporting material prepared; school curricula were developed; a visitor-education center was established on Hon Mun island with displays describing the MPA at the National Institution of Oceanography in Nha Trang; and the fishing community was made aware of the importance of establishing the MPA for biodiversity conservation as well as for a critical habitat in which marine species, including commercial ones, could spawn, grow and repopulate the fishing grounds and areas. In addition, a number of national and international study tours were conducted to examine experience from other activities involving the establishment and operation of marine protected areas that involved government staff and community representatives. Two international meetings on marine parks and marine protected areas were attended by selected Authority and project staff with presentations made at each on the experience from the project. The experience gained from those trips was considered and adopted in the Nha Trang Bay marine park as appropriate.

2. Sustainability

The Project is highly likely to be institutionally, financially and environmentally sustainable based on the following related achievements:

• **Institutional sustainability**

- The Nha Trang Bay MPA Authority has been established by provincial decree at the level of a provincial department
- Nha Trang Bay MPA Authority is fully staffed
- An organizational structure has been approved and a budget has been provided.
- Staff have been trained in various subjects related to Marine Protected Areas.
- Temporary regulations have been established and are in effect and being enforced by the MPA Authority

• **Financial sustainability**

Income streams have been established for the Nha Trang MPA Authority. These include

- “Hon Mun Service Charge”, which generated 700 Million Dong in the period of 10/2004 – 8/2005.
- Plans for the implementation of the “Nha Trang Bay Sightseeing Fee” estimated to produce an income of \$120,000 per year. This fee was implemented in November 2005.
- Additionally, as the Nha Trang Bay MPA Authority is recognized as a Provincial Government Agency, the province is responsible for financial management and liquidity of the MPA Authority.

• **Environmental sustainability**

The establishment of Nha Trang Bay MPA Authority occurred at a time when the biodiversity values of Nha Trang Bay MPA had been severely compromised. Thus, the productivity of the eco-system was considered to be at a low level with little capacity for the system to restore itself. Thus, the establishment of Nha Trang Bay MPA has provided possibilities for environmental sustainability. These include:

- A significant reduction in the destructive fishing pressures on Nha Trang Bay;
- Establishment of areas where breeding stock of fish can re-establish in the core zones of the Bay; and
- Increase in the resilience of the habits of Nha Trang Bay, including the protection of internationally significant coral reef habitats.

3. Follow-up Activities and/or Investment

Provide a description of any follow-up activities or investments resulting from the original activity.

Check, if applicable:

Investment:

X  Recipient/Other Investment; \_\_\_\_\_ Grant Project/Program; \_\_\_\_\_ Bank Project; \_\_\_\_\_ IFC Financial Project/Activity

By the close of the project, DANIDA and the Ministry of Fisheries were financing a complementary program at Cu Lao Cham near Hoi An and the UNDP/GEF were completing the processing of a new project at Con Dao, a group of off-shore islands under Vung Tau. These projects will benefit from the lessons, experience gained and actions accomplished under the Hon Mun project.

Other Results:

X  Transferability of Know-How, Knowledge Base/Key Concepts;  X  Replicability, Modeling, Best Practices; \_\_\_\_\_ New Sectors or Products; \_\_\_\_\_ New Forms of Cooperation with Other Development Institutions/NGOs

The experience from the project is now being transferred and in the process of being adopted by two other of the 15 identified marine protected area – one at Cu Lao Cham off Hoi An with assistance from DANIDA and another at Con Dao, an off-shore island area some distance from Vung Tau, with assistance from UNDP/GEF. The implementation of those two projects differs to some extent from that of the Hon Mun project, largely based on the conditions in the localities. It is anticipated that as the other 12 national MPAs come under development that the lessons and experience from the Hon Mun project will be directly applicable.

## **E. PERFORMANCE**

### *1. Bank*

*Discuss and rate how well the Bank carried out specific responsibilities assumed by the Bank for this trust funded activity.*

The Bank carried out regular Supervision Missions twice yearly, during the full four-year implementation period, including a midterm review in December 2003 and Implementation Completion Mission in September 2005. In addition, frequent communication by e-mail was conducted as needed on questions and decisions between Supervision Missions as well as with regard to follow-up actions agreed during each mission. The Bank also conducted regular procurement and financial management reviews as well as advising the Recipient of any actions required concerning the Annual Audit Reports.

### *2. Recipient*

*Discuss and rate how well the Recipient fulfilled the different tasks that were expected as part of the trust funded activity.*

The IUCN fulfilled all of the expectations under the project in a highly satisfactory manner in that the main outcome was the establishment, though a consultative and participatory process, an environmentally, financially and institutionally sustainable marine park. IUCN accomplished this as a development partner with the local communities and government as well as the Ministry of Fisheries. The exit strategy formulated during the project was also successful in establishing a fully functional and staffed Nha Trang Bay Marine Park Authority with a source of revenue for its sustainable operation that progressively shifted the responsibilities of the project staff to that of the Authority's staff.

## **F. LESSONS LEARNED / RECOMMENDATIONS**

Discuss the most significant positive and negative lessons learned from the success or failure of the grant activity and make recommendations for different stakeholders.

### *A. Lessons learned on the management of Marine Protected Areas*

A number of approaches have been developed to address the threats to the coral reefs of the Hon Mun MPA. These are quite broad and comprehensive in nature and include activities such as installation of mooring buoys, removal of Crown of Thorn Sea-stars, initiation of enforcement activities and the development of a Management Plan. However, a comprehensive approach to

the development of the MPA has highlighted optimal approaches necessary for the management of the MPA. A selection of these approaches is outlined below.

**B. *The zoning process***

The zoning of a Marine Protected Area is complex and involved process. It is one of the main methods by which a MPA expresses its aims of objectives. A comprehensive approach and careful consideration is required at each step along the way. Key lessons learned are outlined below:

**(1) *Naming of zones***

A consistent approach should be used with the zones should be easily understandable not only for scientist, but also for local people.

**Lesson learned: *Care should be given with the use of the following terms:***

- “core zone” can be called “no take” or “sanctuary zone;”
- “buffer zone” is a technical word and in use with local people and officials. Need to find an easier word for people to understand; and
- “transition zone” is a complex concept and easier words should be used to explain concept.

**(2) *Ensuring representative habitats are protected***

The establishment of a system of protection of representative coral reef communities is important in the establishment of a comprehensive MPA. Comprehensive biodiversity surveys conducted in 2002 identified 4 distinct coral reef communities within the Hon Mun MPA. However, the draft zoning system established in late 2001 housed only three of these coral reef communities. In response, the Hon Mun MPA zoning system is under revision to ensure an example of each coral reef community is represented in the zoning system.

**Lesson Learned: *The zoning system should be based on research on the structure of coral reef communities and be flexible so as to include new zones as and if they are discovered.***

**(3) *Balancing different uses***

Different users of Marine Protected Areas have different needs. The zoning of marine protected areas must balance between the need for protection and the need for uses by the local communities. In the Nha Trang Bay MPA, there was conflict over the location of the core zone. Discussions were held with local fishermen and agreement was reached to move three boundary markers approximately 30 meters. This resolved an issue that had created a problem over a period of 3 years.

**Lesson learned: *It is important to listen very carefully to the needs of all stakeholders and understand their issues so that a compromise can be reached.***

**(B) *Intersectoral coordination is vital***

The sea boundaries of an MPA can be managed for illegal fishing and other damaging activities. However, it is vital to manage both the landward and riverine influences entering the MPA. In Nha Trang Bay there is no jurisdiction over the island within the MPA. For example:

- Land development can impact on the MPA in the following ways:
  - Hotels can be built on land without consideration of the zoning process;
  - Agriculture and village development activities will impact on the MPA;
  - One 500 room hotel has been built in the buffer zone of NT Bay MPA; and
  - Although the area around Hon Mun island is “core zone” substantial developments may occur on the island, i.e. bungalow / restaurant and discharges

must be carefully managed.

***Lesson learned: Need to link the seas of the MPAs together with the land-based PA system for MPA development. For example is one whole island like Hon Mun is surrounded by MPA “core zone” then the whole island should be protected.***

In Nha Trang, rivers are the greatest threat to the health of Nha Trang Bay. Cooperative programs need to be established with other national and provincial agencies to ensure that impacts are minimized.

***Lesson learned: Need to develop integrated catchment management approach to managing all water discharges***

Dredging is a large threat as it increases sediment. In Nha Trang Bay MPA areas of coral were lost though dredging activities

***Lesson learned: Need to coordinate all activities within and adjacent to the MPA***

### **C. Addressing urgent issues in management**

In the establishment of a MPA, although the establishment of a longer-term vision is of the highest priority, the urgent issues in management need to be addressed to ensure environmental sustainability.

#### **(1) Mooring buoy establishment**

Anchors can easily damage coral reefs. The establishment of mooring buoys is a visible and effective mechanism for coral reef protection. It can be done quickly and comprehensively, but needs to be carefully planned.

Lessons learned:

- *Mooring buoy installation should be conducted together with education and awareness program for local people; and*
- *Mooring buoy installation should use appropriate technology for the implementation of the moorings to prevent damage to coral reefs*

#### **(2) Crown-of-Thorn Seastars (COTS)**

A major threat to coral reefs is COTS. The predators annually consume many km<sup>2</sup> of coral reefs along the entire coast of Vietnam. The precise cause of the large populations is unknown. However, it is vital that these predators are removed to maintain the small amounts of healthy coral along the coastal area. They also provide an important opportunity for community involvement in MPA management.

**Lessons learned:**

- *The removal of Crown-of-Thorn Seastars is vital to community involvement in MPA management;*
- *A system for positive action towards COTS removal should be identified and implemented. This scheme should not only focus on an annual collection period, but rather focus on continuous action; and*
- *Education and awareness activities are vital to a COTS removal program.*

#### **(3) Local involvement and benefit sharing**

Ensuring local involvement and benefits: While the creation of a comprehensive Marine Protected Area provides regional, national and provincial benefits, at the local level the loss of access to fishery resources is a cost often impacting on local communities. Although there is an

understanding that in the medium to longer-term fish stocks will be reestablished within the Hon Mun MPA and fisheries yields are likely to increase, there is a short-term cost of non-exploitation of these resources by local villagers.

***Lesson Learned: Need to continue to focus on the fisheries benefits that will accrue for users of the MPA in a period of 3-5 years.***

This issue is being addressed through the development of activities targeted at increasing quality of village life, improving development opportunities and increasing the income of local communities. One important focus is the development of Alternative Income Generation activities that seek to provide additional income for villagers within the MPA. However, the identification of environmentally sustainable activities within the setting of a Marine Protected Area means that traditional approaches to income development must be reconsidered.

***Lesson learned: Need to clearly identify the target group affected by zoning. For example in Nha Trang bay this is squid fishermen using light fishing;***

***Lesson learned. Access to credit is important for local people. Demonstrations and training should be provided before the provision of loans; and***

***Lesson learned: Need to think of new ideas, not only traditional approaches. These activities need to be at all scales from small through to larger scales.***

Tourism is able to generate benefits for the MPA and increase economic opportunities. However, often these benefits do not flow to local communities. It is important that local communities are able to gain some benefit from the tourism revenue that is generated by the MPA. In Nha Trang Bay MPA there is a commitment to provide at least 10% of revenue collected back to local communities.

***Lesson Learned: A percentage of the revenue generated from tourism should be channeled back to local communities to support development activities.***

#### **C. Functional agency**

Establishment of Marine Park Authority: Development of a strategic long-term approach to the management of the Nha Trang Bay Marine Protected Area has included the establishment of a provincial level Marine Park Authority. The roles and responsibilities of the Marine Park Authority are still be elucidated, however they include establishing policy, coordination of different uses and development of a comprehensive management plan.

***Lesson learned: A functional MPA Authority is vital to meet the needs for sustainable management of the MPAs***

#### **D. Regulations, permits and enforcement**

The management of Marine Protected Area requires the management and controlling of a number of activities. These activities may include:

- Fishing using different gears and in certain locations;
- Closed fishing seasons;
- Year around fish sanctuaries or no take zones;
- Fish areas only for local people and not for outsiders;
- Permit and regulations for tourist operations such as diving, glass bottom boats and water sports;
- Permits for hotel development and other land based development; and

- Permit for discharge of waste water into the environment.

***Lesson learned: A system needs to be developed for providing licensing and permits for each of these activities. The roles of all agencies involved needs to be clarified.***

The implementation of the regulations and permit system requires a dedicated team of professional staff for its implementation. Staff from the MPA Authority must be in a position to enforce the rules and regulations of the MPA. This will be vital for the longer-term success of the MPA.

***Lesson learned: Staff of the MPA Authority must be granted authority and the support required to enforce the regulations of the MPA. Lack of this authority and/or support significantly weakens the ability of the MPA Authority to implement its activities.***

#### *E. Management Plan*

A “Management Plan” or “Management Strategy” seeks to balance the needs for biodiversity conservation together with commercial uses such as fishing and tourism with the needs for local development. However, a comprehensive process should be established for the development of a management strategy that provides time and the opportunity for awareness raising and discussion between all participating agencies and stakeholders.

***Lesson learned: The planning process should be comprehensive and take into consideration the needs of all the stakeholders. The Management Plan should clearly indicate the roles and responsibilities of the different agencies in the management of the MPA.***

#### *F. Safe operation of tourism activities*

A range of tourism activities will continue to be developed in Nha Trang Bay. It is vital that these activities are implemented in a safe, orderly and comprehensive manner with clear and visible guidance from the MPA Authority. Potential safety issues include motorized boats and SCUBA divers operating in similar areas.

***Lesson learned: The Nha Trang Bay MPA Authority must work with other provincial agencies to ensure that all tourist activities are implemented in a safe and comprehensive manner.***

A strong national framework will be necessary for the implementation of a successful MPA. The national framework for MPA management should consider the following:

#### *H. Legislative framework for local authorities*

Establishing management agencies at the provincial level is a difficult task. The legislation for MPAs should provide clear guidance for their planning, operation and establishment. It should include the following:

- Clear aims and objectives for establishment of the MPA; and
- Need for the roles and responsibilities for the province in the management and operation of the MPA

#### *I. Organizational structure and staffing*

There needs to be a clear definition of the roles of provincial agencies for MPA management. In particular, this should indicate the:

- Role of the Ministry of Fisheries in MPA planning and management



- Role of Provincial Level management Authorities, e.g. Nha Trang Bay MPA Authority
- Staffing structure for provincial level authorities

*J. Funding and financing*

The central government has a crucial role in defining the operation and activities of the management authority of the MPA Authority. In particular, this should focus on:

- The provision of adequate financial incentives to the local level for the management of MPAs such as reserving fees collected as a result of the Authority's activities and earmarking them for MPA management needs. Supplementary financial support may also be needed.

*K. Planning framework*

Consistency in approaches to planning for MPA survey, designation and management will be able to be developed through a national system of MPAs. This should include:

- The process for management planning and permits should be specified in national policy and planning documents.

*L. Financial sustainability*

Financial sustainability is supported by the development of a Visitor Entrance Fee to be used for management of the MPA with a proportion (10%) allocated to local communities for local development activities. Long-term local participation will be supported by the continued involvement of local people in the management of the area through Village Marine Protected Area Committees established in each village within the MPA. Finally, the continuation of the strong political support demonstrated through the establishing of the Hon Mun MPA will be crucial to the longer-term management of the site.

- However, MPAs, not accessible for tourism, may not be able to generate funds directly. Thus, an alternative scheme including national and provincial level funding must be adopted. Nha Trang Bay is a major tourist destination and is benefiting from fees collected from those activities.

*Recommendations for the Bank*

The main recommendation for the Bank is to incorporate the knowledge gained on the importance of working with all stakeholders in an area where a MPA has been designated. For those, such as the one under the project which was the first of its kind under the project, the consultation process needs to begin and continue systematically at all levels and with all stakeholders, including fishers, other local village community members, private sector agencies and all related government agencies and departments. There also must be openness and flexibility with regard to the needs of the project as the on-the-ground realities are faced so long as the goal is to achieve the objective of the project. For a project of this kind that was firstly working within a new paradigm for the country and secondly with a complex of issues that required, in some cases, agreement at the national and provincial levels, particularly concerning sustainable financing, these factors need to be given adequate consideration in project design and follow through during implementation.

Also, the establishment of marine protected areas cannot be done in isolation due to the many externalities – coastal development, pollution, commercial interests, etc. – that can adversely impinge of the establishment and sustained function of the MPA. It is thus important that this be

considered in the design to assure that the required resource needs are anticipated and defined at the time the project is prepared.

*Recommendations for the Recipient (Client)*

With the project having been satisfactorily implemented by IUCN-Vietnam that was the recipient of the Grants to implement the project, there are few recommendations for the recipient. One factor, however, would be for IUCN to develop a post-project monitoring and support plan that could continue to provide inputs, most significantly of a technical nature to help with issues that could arise after the project closes and for which additional assistance would be needed. One of the rationales for IUCN being the recipient/implementer of the project was, in addition to its experience with projects of this kind, was its long-term commitment to working in Vietnam as a partner development agency. Therefore, the IUCN should provide the resources required for post-project supervision and technical assistance that can be provided to meet the local needs as well as its own in gaining knowledge on how such programs evolve after the initial support provided.

For the Government, and in this case Khanh Hoa Province in particular, that was the main beneficiary and recipient of the project, financial planning for needs during and after the project should be initiated as early as possible, starting during project identification and preparation to assure smooth implementation and sustained operation. In addition, it is critical that the Government body with the responsibility for the project and management of the MPA also recognize, consult with and engage all government agencies, including those of local municipalities such as the Nha Trang Government and local levels within the municipality (e.g., communes such as the Vinh Nguyen commune and villages) and other stakeholders that have an interest in coastal or marine resources in the vicinity of the MPA in the development and management of the MPA. This coordination is critical to allow for an integrated program that recognizes the planning, development and management requirements to protect and sustain the MPA and is a major requirement as the Government takes responsibility for management and operation of the MPA at the close of a project. The establishment of the Nha Trang Bay Marine Park Authority, as a provincial level entity, was an important step in achieving that management requirement, for it places the Authority in a position to identify its needs in relation to other development activities and challenges in the vicinity by other government departments, commercial interests and stakeholders in the area.

*Recommendations for the Donor(s)*

There were essentially four donors to the program – GEF/World Bank, DANIDA, and UNDP with the first two providing the major inputs. The above recommendations for the Bank would also be applicable for the GEF. For DANIDA, the working relationship with the staff of the Royal Danish Embassy in Hanoi was overall very positive with support given, as needed. One specific recommendation would be to have more direct participation in supervision of projects of this kind to enable a first-hand understanding of project implementation. Without that, the main reliance is upon post-supervision briefings and documentation that does not always provide the clearest insight into progress under the project. Also, DANIDA has considerable experience with projects of this kind that can be conveyed to the Grant recipient and Government counterparts as well as to the Bank team.

*Recommendations for the Development Community*

Most of the above recommendations and lessons learned under the project would be of direct interest to the development community that is involved in resource conservation, protection and

management activities. The project was engaged in all of the key activities required to establish an MPA that were quite broad and wide reaching with regard to the range of stakeholders were consulted and directly involved in implementation. Moreover, the systematic process by which the project addressed issues and challenges could be applied quite broadly in projects of this kind as well as the important aspect that these kind of interventions do require years to be established and owned by local communities, other stakeholders and all involved government levels.

## **G. PROCESSING**

Prepared by: Ronald D. Zweig

Task Team Leader: Ronald D. Zweig

Date Submitted: July 28, 2006

Comment: This project was highly successful in its implementation from which many lessons can be drawn. It is also an excellent example, as pilot project, for replication in other parts of the country where MPAs have been identified as well as in other countries in the region and world.

Manager: Mark D. Wilson, SECTOR Director, EASRD

Date Approved:

Comment: