



## Viet Nam: Mainstreaming Climate Change Mitigation into National infrastructure

Project Name	Mainstreaming Climate Change Mitigation into National infrastructure
Project Number	49145-001
Country	Viet Nam
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	<b>TA 9055-VIE: Mainstreaming Climate Change Mitigation into National Infrastructure</b> Clean Technology Fund US\$ 999,600.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	<b>Transport</b> - Transport policies and institutional development
Gender Equity and Mainstreaming	No gender elements
Description	<p>The Government of Viet Nam (the government) has been aware of the need to address climate change impacts and the need for more effective infrastructure developments integrating climate change adaptation and mitigation actions. The Ministry of Natural Resources and Environment (MONRE), the government's climate change focal agency, has been supporting improved climate resilience of all infrastructure developments to achieve an environment friendly and climate-resilient national infrastructure. Since 2009, MONRE has initiated and piloted programs for climate change adaptation and mitigation, participated in global and regional climate change conferences and accessed various climate change funding, both directly and through various international financial institutions.</p> <p>To strengthen the capacities of MONRE and other relevant government agencies to more systematically prepare and implement government and international financed infrastructure developments, consultations with Asian Development Bank (ADB) had been conducted since 2014. This led to the development of a proposed Clean Technology Fund (CTF) grant funded Capacity Development Technical Assistance (TA) for MONRE. The TA is expected to assist the Government of Viet Nam in achieving a low carbon economy and enriching natural capital as the principal direction of sustainable economic development and greenhouse gas (GHG) emission reductions. Activities will include developing and strengthening measuring, reporting and verification systems (MRVs) for CTF projects, preparing and implementing transport and energy sector mitigation guidelines, and enhancing and coordinating agencies' capacity in climate change mitigation. The government has been closely involved in the TA development and concurs with the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference of the TA.</p>

Project Rationale and Linkage to Country/Regional Strategy

Viet Nam's economic growth has driven annual increases in energy consumption and corresponding increases in GHG emissions. The growth trend in total energy use and heavy dominance of fossil fuels prompts projections that national GHG emissions will triple by 2030 from 226 million tons of carbon dioxide equivalent in 2010. Passenger traffic has grown 5.8% annually from 1999 to 2008 and is expected to more than triple from 2008 to 2020. In addition, Viet Nam is undergoing one of the fastest urban transitions in the world. Currently, 27% of population lives in urban areas. This number expects to increase to 45% by 2020 and to 50% by 2030. The economic growth will cause high risks of climate change as well as land, water, and air pollution.

Viet Nam is extremely vulnerable to climate change as it has extensive low-lying coastal and delta areas, and its highlands have poor capacity to retain water and are susceptible to severe erosion. Reducing environmental degradation and improving resilience to climate change will have mutually reinforcing benefits for sustainability of national infrastructure and people's livelihoods if land and infrastructure are appropriately developed and managed.

The government has issued some policies to respond to climate change and developed Nationally Appropriate Mitigation Actions. The government has taken further steps to particularly address GHG emissions challenges while promoting a low carbon growth path. These include the 2009 CTF Investment Plan, the 2011 National Climate Change Strategy, and the 2012 Green Growth Strategy, which identify the transport and energy sectors as priorities to reduce GHG emissions with well-defined targets. To achieve the above, the government requires institutional and technical capacity building support to enable formulation and integration of the mitigation actions into development programs and infrastructure projects, and improvement of MRVs.

To promote GHG emission reduction, MONRE have prepared the CTF projects with assistance from ADB, World Bank, and International Finance Corporation under the CTF Investment Plan, which comprises \$250 million of CTF cofinancing endorsed by the CTF Trust Fund Committee in December 2009 and in October 2013.

The Climate Investment Funds (CIF) requires annual monitoring and reporting of approved CTF projects based on a CTF monitoring and reporting toolkit. This allows measuring the progress and effectiveness of a mitigation action (i.e., how much a planned mitigation action progresses with respect to monitoring five core indicators (e.g., tons of GHG emissions reduced or avoided, number of additional passengers using low carbon public transport, annual energy savings, etc.), and whether and how a planned mitigation action effectively achieves an original targeted mitigation objective). This is mandated by the CTF Trust Fund Committee to justify CTF investments, develop a strategy to improve operation of CTF projects, and increase investment scale given positive feedback. In doing so, it is imperative for project implementing agencies to implement MRVs, establish baselines, and keep operating MRVs from project implementation to operation. Also, MONRE should compile quality data through a reporting mechanism from the implementing agencies to MONRE to comply with the CTF annual monitoring and reporting requirement. The CIF developed the CTF monitoring and reporting toolkit in 2014, providing guidance and reporting tools for the core indicators. Since agencies in Viet Nam have not fully equipped with required MRVs, however, MONRE has requested ADB to assist itself and other agencies in establishing and implementing MRVs.

Impact

Develop a low-carbon economy to protect and improve quality of life, guarantee national security and sustainable development (National Climate Change Strategy, 2011)

**Project Outcome**

Description of Outcome

Environmentally friendly transport and energy projects developed

Progress Toward Outcome

**Implementation Progress**

Description of Project Outputs

1. Measuring, reporting and verification systems for CTF projects developed and strengthened
2. Transport and energy sector mitigation guidelines established
3. Agencies' capacity in climate change mitigation enhanced and coordinate

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

**Summary of Environmental and Social Aspects**

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

**Stakeholder Communication, Participation, and Consultation**

During Project Design ADB has consulted with the government agencies and development partners to determine the TA scope and implementation arrangements. Also, ADB participated in relevant workshops to understand the country contexts with respect to climate change and mitigation investments in Viet Nam.

During Project Implementation

## Business Opportunities

Consulting Services ADB will recruit a consultant firm using quality- and cost-based selection method with a quality:cost ratio of 90:10 according to the Guidelines on the Use of Consultant (2013, as amended from time to time).

Procurement Equipment, including computers, software for data management, and peripheral devices, will be procured in accordance with the Procurement Guidelines (2015, as amended from time to time).

## Responsible Staff

Responsible ADB Officer	Mizusawa, Daisuke
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<i>Ministry of Natural Resources and Environment Department of Water Resources Management 68 Bui Thi Xuan Str., Hai Ba Trung District, Hanoi, Viet Nam</i>

## Timetable

Concept Clearance	07 Aug 2015
Fact Finding	23 Sep 2015 to 09 Oct 2015
MRM	-
Approval	16 Dec 2015
Last Review Mission	-
Last PDS Update	21 Dec 2015

## TA 9055-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
16 Dec 2015	09 Dec 2016	09 Dec 2016	31 Mar 2019	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	999,600.00	25,400.00	0.00	0.00	0.00	1,025,000.00	16 Dec 2015	4,753.09

Project Page	<a href="https://www.adb.org/projects/49145-001/main">https://www.adb.org/projects/49145-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=49145-001">http://www.adb.org/forms/request-information-form?subject=49145-001</a>
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