



Technical Assistance Report

Project Number: 49153-001
Capacity Development Technical Assistance (CDTA)
November 2015

Socialist Republic of Viet Nam: Sustainable and Resilient Urban Development (Cofinanced by the United States Agency for International Development and the Nordic Development Fund)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 September 2015)

Currency unit	–	dong (D)
D1.00	=	\$0.000044
\$1.00	=	D22,120

ABBREVIATIONS

ADB	–	Asian Development Bank
MOC	–	Ministry of Construction
NTP	–	National Target Program
NUDS	–	national urban development strategy
TA	–	technical assistance
UCCR	–	urban climate change resilience
UDA	–	Urban Development Agency
USAID	–	United States Agency for International Development

NOTE

In this report, "\$" refers to US dollars.

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CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data			Project Number: 49153-001	
Project Name	Sustainable and Resilient Urban Development	Department /Division	SERD/SEUW	
Country	Viet Nam, Socialist Republic of	Executing Agency	Asian Development Bank	
2. Sector	Subsector(s)		Financing (\$ million)	
✓ Water and other urban infrastructure and services	Urban policy, institutional and capacity development		2.51	
			Total	2.51
3. Strategic Agenda	Subcomponents	Climate Change Information		
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project		
Environmentally sustainable growth (ESG)	Disaster risk management Environmental policy and legislation Urban environmental improvement			
4. Drivers of Change	Components	Gender Equity and Mainstreaming		
Governance and capacity development (GCD)	Civil society participation Institutional development Institutional systems and political economy	Effective gender mainstreaming (EGM)		
Knowledge solutions (KNS)	Knowledge sharing activities			
Partnerships (PAR)	Bilateral institutions (not client government) Official cofinancing			
Private sector development (PSD)	Conducive policy and institutional environment			
5. Poverty Targeting		Location Impact		
Project directly targets poverty	No	Not Applicable		
6. TA Category:	B			
7. Safeguard Categorization	Not Applicable			
8. Financing				
Modality and Sources		Amount (\$ million)		
ADB		0.00		
None		0.00		
Cofinancing		2.51		
United States Agency for International Development		1.96		
Nordic Development Fund		0.55		
Counterpart		0.00		
None		0.00		
Total		2.51		
9. Effective Development Cooperation				
Use of country procurement systems		No		
Use of country public financial management systems		No		

I. INTRODUCTION

1. Viet Nam has made remarkable progress since the 1990s in transforming its economy, reducing poverty, and making the transition toward an industrialized and urban society. However, the quality and reach of urban infrastructure and services has not kept pace with national vision, policy, and strategy. The ability of cities to effectively manage their environment and well-being of the population, sustain balanced growth, and tackle climate change impacts is not only determined by sector legislation but also by the framework of outdated urban regulations that is still in force. There is disconnect between the existing urban governance system, a legacy of a centrally planned economy, and that required by vibrant cities in an emerging market economy, particularly when confronted with climate change uncertainties.

2. The present planning system does not encourage the local government to effectively prepare for the impacts of climate change. Key urban planning legislation does not refer to climate change, despite having been promulgated after the government's flagship National Target Program to Respond to Climate Change.¹ Incentives to develop peri-urban areas and a lack of willingness to densify the core city center propel cities toward sprawl, development in high-risk areas such as floodplains, and the inefficient management of resources. In response to these shortcomings, the government decided to formulate a national urban development strategy (NUDS) as a central policy instrument to manage and guide urban development in partnership with local governments. The process will be managed by the Urban Development Agency (UDA), within the Ministry of Construction (MOC).

3. The NUDS will be formulated in two phases: (i) a foundation phase funded by Cities Alliance² to assess the current status of urban development in Viet Nam and review international experience; and (ii) a second phase to develop the key objectives and complete the formulation of the NUDS. Through MOC, the government requested technical assistance (TA) from the Asian Development Bank (ADB) to assist with the development of the second phase.³ Starting with a broad-based needs assessment and service coverage inventory, the outcome of the NUDS will include specific urban climate change resilience targets. Following consultations with MOC and development partners, ADB conducted a TA fact-finding mission in August 2015 and reached a preliminary understanding with the government on the TA's impact, outcome, outputs, implementation arrangements, costs, financing arrangements, and terms of reference. These were confirmed in a memorandum of understanding signed by ADB and the government on 4 September 2015. The design and monitoring framework is in Appendix 1.⁴

II. ISSUES

4. The economic transformation that has characterized Viet Nam's development is linked to the growth of its urban centers. Today, at least 70% of gross domestic product is generated in Viet Nam's cities. A vibrant and growing industrializing economy needs efficient urban centers. An emergent urban population drives local consumption and attracts new skills and further investment. However, industries and cities consume disproportionately and generate waste and pollution. These need to be managed to protect the environment and sustain growth.

¹ Ministry of Natural Resources and Environment. 2008. National Target Program to Respond To Climate Change. Hanoi.

² Grant agreement signed on 31 August 2015.

³ The TA concept paper was approved on 7 August 2015; the TA was included in the COBP 2014–2016 under the name Sustainable Urban Development in Viet Nam: Green Cities.

⁴ The TA first appeared in the business opportunities section of ADB's website on 25 September 2015.

5. The current urban planning protocol in Viet Nam does not serve the rapidly evolving needs of an industrial and urbanizing society. Cities do not have reliable, regular, or adequate financial resources to fund capital development or maintenance for urban infrastructure and services—an essential condition for delivering their obligations to citizens and businesses, and for planning future expansion. Proactive and responsive urban management, including development controls (to protect resources, guide land use, and anticipate future needs), are still relatively new concepts in Viet Nam, although some responsibilities are vested on central government and provinces.⁵ The current Law on Urban Planning stresses the decentralization of urban planning responsibilities and requires stakeholder consultation.⁶ A major challenge in achieving substantive decentralization is the lack of capacity at subnational level in planning, urban management, budgeting and financial management.

6. Urban and provincial development is guided by three types of plans: (i) subnational socio-economic development plans; (ii) spatial plans (construction master plans) prepared at four levels of geographic detail; and (iii) sector development plans defined by line ministries. Provincial or city construction master plans guide the planning and implementation of infrastructure projects, but may not necessarily be in line with sector development plans and the stated government vision. Master plans are prescriptive for land use rather than permissive and are not linked to financing realities.

7. Viet Nam is likely to be severely affected by climate change, in particular those cities in deltas and the flat coastal strip, where extreme weather events and sea-level rising will increase the risk of flooding and salt water intrusion. The present planning system does not encourage urban local government to effectively prepare for the impacts of climate change,⁷ while key urban planning legislation does not refer to climate change.⁸ With limited options for local revenue generation, cities sometimes opt to trade land to pay for development needs, creating perverse incentives resulting in sprawl and development in high-risk areas, such as floodplains. Under the current policy, cities are not encouraged to address climate and disaster risks and instead focus on expansion. There are also no legal obligations to reassess existing spatial settlement structures or re-examine existing spatial plans through climate change resilience audits to reduce vulnerability to climate change.

III. THE PROPOSED CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact of the TA will be the achievement of a low-carbon economy and green growth sustainable development.⁹ The outcome will be the mainstreaming of climate and disaster resilience into the management of urban development.¹⁰

⁵ See also Decree 131/2006, on decentralizing the management and utilization of official development assistance.

⁶ Urban Planning Law 32/2009/QH/12.

⁷ Schreiner, M. 2013. *"The topography of the legal framework for urban development in Viet Nam"* in *Towards Green and Resilient Cities in Viet Nam*. Da Nang, Oct 2013.

⁸ Decree 42/2009/ND-CP *On the classification of Urban Areas*, May 2009; Circular 34/2009 *Detailing some provisions of the Decree 42/2009/ND-CP*, Sep 2009.

⁹ National Climate Change Strategy 2011 (Prime Minister Decision 2139/QD-TTg).

¹⁰ The outcome is consistent with Prime Minister Decision 2623/QD-TTg of 2013.

B. Methodology and Key Activities

9. The TA will assist the government in pragmatically transforming the framework for urban planning and governance, so that Vietnamese cities may be able to effectively participate in regional and global economies, increase resilience and sustainability, and address uncertainties imposed by climate change. To this end, the TA will assist the government with the formulation, introduction, and application of a new national urban development strategy, which is in line with recently adopted legislation.

10. The TA will have three outputs: (i) national urban resilience strategy and program prepared by 2018; (ii) national urban planning capacity improved by 2017; and (iii) capacity developed to implement climate change resilience at provincial and city levels. The urban resilience program prepared under output 1 will be informed by pilots and capacity development undertaken in outputs 2 and 3 of the TA. The TA will be delivered in collaboration with a parallel project funded through a grant by Cities Alliance to MOC for the preparation of NUDS (footnote 2). This project includes an assessment of the current status of urban development in Viet Nam, based on a survey, and a facility for the training of senior urban managers. The Cities Alliance project outputs will be supportive of and complementary to the TA.

11. The preparation of NUDS further develops and details the existing National Urban Development Program, a cornerstone of an emerging—but as yet insufficiently articulated—urban development policy framework. The new NUDS document will explicitly incorporate sustainable and resilient elements into urban development for implementation across the country. As part of output 1, the TA will assist the formulation of NUDS and will seek acceptance by local government. To achieve this, the TA will consult with and gain explicit endorsement by local government, as this is essential to achieve sustainable impact of urban development plans. Consistent with its strategic importance, the NUDS will be endorsed as a national policy statement, through a decision issued by the Prime Minister.

12. Under output 1, the TA will also assist the government with the formulation of a target program for urban climate change resilience (UCCR). As an essential strategic component needed to include climate change resilience in urban planning and governance, the target program for UCCR will be a follow-on program to the 2008 National Target Program to Respond to Climate Change (footnote 1), promoting its effective application in urban planning beyond 2015. Through capacity development, the TA will pilot these principles at provincial level, and in this way gain support for the adoption of climate-change-resilient development plans (output 3).

13. Using results from the analysis of sector performance, and benefitting from the experience in the formulation of urban development plans at subnational level (output 3), the TA will also formulate a UCCR investment framework under output 1. This framework, with a 15-year planning horizon, will identify remaining gaps in urban policies and institutions and define project selection criteria to prioritize and determine a future 15-year investment program for the urban sector through results-based lending. Guided by the policy directives formulated in the UCCR investment framework, the TA will identify an indicative pipeline of urban climate change resilient investments that promote inclusive local economic development. Data on levels of existing infrastructure and services will be drawn from the UDA database and indicators on urban performance will be defined.

14. Cognizant of the importance that adapted housing has under NUDS, output 2 of the TA will pilot a climate- and disaster-resilient housing model suitable for living with storm surges and

floods in coastal areas, which are affected by extreme weather events.¹¹ The assistance will adapt resilient construction models for target provinces, which will be based on a review of best practices in Viet Nam and their suitability for the Mekong region.¹² Construction materials will be selected for resilience to weather changes, environmental sustainability, affordability, local accessibility and durability. Design and construction will consider the need for local maintenance with limited assistance from construction companies.¹³ The project will conduct training on resilient construction and undertake 3 pilots for future replication. The TA will record its findings in a manual for low-cost climate-resilient construction.

15. Under output 3, the TA will pilot new planning features outlined under NUDS by guiding the formulation of three provincial and/or regional urban development plans. The TA will encourage regional planning and coordination in recognition of the need for (i) more balanced and targeted distribution of investments, (ii) avoiding counterproductive competition for limited resources among adjacent provinces, and (iii) identifying unique provincial assets and strengths that can synergize regional production. This leverages and builds on existing collaboration with ADB on the development of economic corridors within the Greater Mekong Subregion to enhance trade and tourism. Critical to the relevance and sustainable impact of NUDS will be acceptance and application at subnational (provincial) levels.

16. The TA will test the formulation of urban development plans in at least six cities by taking them through a process of acceptance by the local administration. The original scope of these plans will be expanded to take the form of urban climate change action plans, consistent with global trends of climate-resilient planning. Urban development plans will recognize in the process of formulation and outcomes, the effect that climate change may have on urban areas and how urban infrastructure and services should be planned and designed to make vulnerable urban groups more resilient.

C. Cost and Financing

17. The TA is estimated to cost \$2,505,000 equivalent, of which (i) \$1,960,000 will be financed on a grant basis by the United States Agency for International Development and (ii) \$545,000 equivalent (€500,000) will be financed on a grant basis by the Nordic Development Fund. Both funds will be administered by ADB. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, and other in-kind contributions.

D. Implementation Arrangements

18. ADB will be the executing agency. The MOC, through its Urban Development Agency (UDA), will be the implementing agency. UDA will coordinate with the provincial people's committees and the departments of construction of the target cities and provinces. Project coordinators will be appointed to manage the TA. A consultative steering committee, chaired by MOC with representatives from the government agencies, development partners, and civil society will meet at least twice a year to monitor the progress of the TA. The TA will be implemented over 34 months and is expected to start on 1 March 2016 and be completed on 31 December 2018.

¹¹ As part of the guidelines to improve national urban planning.

¹² P. Tran, T.H. Tran, and A.T. Tran. 2014. *Sheltering from a Gathering Storm: Typhoon Resilience in Vietnam*. Boulder: ISET-International.

¹³ The design should follow the Row Houses Design Standards TCXDVN 353 issued by MOC under Decision 42/2005/QĐ-BXD dated 29 November 2005 with minimum allowable criteria and easy, safe operation and use.

19. The TA will finance 91 person-months of international consultants and 169 person-months of national consultants. One firm will be recruited using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), following a fixed budget selection, with a full technical proposal, and a lump sum contract, to deliver the three outputs for a budget of \$2 million. The firm will provide 61 person-months of international consultants and 97 person-months of national consultants (Appendix 3). The remaining consultants will be recruited as individual consultants, recognizing their unique skills in urban development, thematic and sector expertise, including land use administration (1 international), knowledge management (2 international), urban policy (1 international and 1 national) and project coordination (1 international and 1 national) to support the TA administration and reporting to the cofinanciers. Consultants will be recruited under advance action. Procurement of works and goods under the provisional sum to be managed by the firm will be done in accordance with the ADB's Procurement Guidelines (2015, as amended from time to time), following shopping procedures for the pilot shelter housing as part of the training and capacity development. Design reviews and construction supervision will be undertaken by the city department of construction. The proceeds of the TA will be disbursed in accordance with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

20. The sustainable impact of the TA will be disseminated by and evidenced through a Prime Minister's Decision on the National Urban Development Strategy (NUDS). The NUDS will be the central instrument to manage and guide resilient urban development. Plans will have been formulated, approved, and published at regional, provincial, and local levels using participatory processes approved by appropriate provincial people's committees. Advice will be provided under the TA. The manual for climate-resilient housing construction will be disseminated through training workshops. Each workshop will leverage local expertise and train local companies to conduct civil works, constructing ten houses in each city. Local community members will be involved to develop their construction skills.

IV. THE PRESIDENT'S RECOMMENDATION AND DECISION

21. The President recommends that the Board approve ADB administering a portion of technical assistance not exceeding the equivalent of \$1,960,000 to the Government of Viet Nam for Sustainable and Resilient Urban Development, to be financed on a grant basis by the United States Agency for International Development. If the Board approves ADB administering the technical assistance, the President, acting under the authority delegated by the Board, approves ADB administering the balance of the technical assistance not exceeding the equivalent of \$545,000 (€500,000) to be financed on a grant basis by the Nordic Development Fund, to the Government of Viet Nam for Sustainable and Resilient Urban Development.

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with: Low-carbon economy and green growth sustainable development achieved (National Climate Change Strategy, 2011)			
Results Chain	Performance Indicators with Target Baselines	Data Sources or Reporting Mechanisms	Risks
Outcome Climate change and disaster resilience mainstreamed into urban development	By 2019: A series of urban investment programs prepared with climate-resilience features for 2018–2027	TA final report Report to USAID on indicator on Legal/Policy Environment (#4.2.8-28) and institutional capacity (#4.8.2-14)	Policy makers do not revise necessary guidance for provincial planning. Government reduces borrowing for urban sector.
Outputs 1. National urban resilience strategy and program prepared	By 2018: 1a. NUDS document prepared and submitted for approval by the Prime Minister 1b. Gender concerns integrated in the national and provincial strategies 1c. Target program for urban climate change resilience 1.d Urban climate change resilience investment framework prepared	Published NUDS TA final report TA final report TA final report	Best practices and measurable requirements are not incorporated into final guidance documents. Approval of the NUDS may be delayed.
2. National urban planning capacity improved	By 2017: 2a. Guidelines on resilient and green land use planning for urban and peri-urban areas prepared and tested through participatory approach, including 40% women 2b. Resilient construction manual prepared including cost norms, and gender-sensitive elements, as relevant for pilot shelter housing 2c. Three training events and pilots developed for local SMEs, construction contractors, and local government officials organized in target cities	TA final report TA final report; report to the Nordic Development Fund TCR	Central government does not endorse the guidelines Resettlement, land acquisition, unavailability of counterpart funding and contract management risks for pilot shelter housing

Impact the TA is Aligned with: Low-carbon economy and green growth sustainable development achieved (National Climate Change Strategy, 2011)			
Results Chain	Performance Indicators with Target Baselines	Data Sources or Reporting Mechanisms	Risks
3. Capacity developed to implement climate change resilience at provincial and city levels	By 2018: 3a. At least three target provinces have provincial or regional climate change resilient urban development programs formulated based on the NUDS	TA final report Report to USAID on indicator on institutional capacity (#4.8.2-14) and legal and policy environment (#4.2.8-28)	Local governments reallocate trained staff for other positions Delayed acceptance and adoption of urban plans by the local government
	3b. At least six urban development plans at the city level, including low-income housing and climate-resilient shelters development prepared	TA final report Report to USAID on indicator on institutional capacity (#4.8.2-14) and legal and policy environment (#4.2.8-28)	
	3c. At least 100 individual stakeholders, including 50% women, trained for at least 50 days with increased capacity to adapt to the impacts of climate change	TCR Report to USAID on indicator on adaptive capacity (#4.8.2-26), training on adaptation (#4.8.2-6) and TA (#4.8.2-27) and gender (GNDR-2; GNDR-3)	

Key Activities with Milestones**Output 1: National urban resilience strategy and program prepared**

- 1.1 Formulate main NUDS involving national and provincial government officials and communities, including elements on basic municipal services, affordable housing, improved spatial planning and more sustainable municipal finance; completed by 2017.
- 1.2 Prepare an urban climate change resilience investment framework and investment pipeline by 2016 to support a programmatic approach to lending by 2018.

Output 2: National urban planning improved

- 2.1 Review and develop land-use administration and planning resilient green urban and peri-urban areas by 2016.
- 2.2 Develop resilient house designs and construction manual for pilot shelter housing by 2017.
- 2.3 Training through formal and on-site training by 2017.
- 2.4 Monitoring and evaluation, dissemination through manuals and suitable publications aimed at affected low-income communities by 2017.

Output 3: Capacity developed to implement climate change resilience at provincial and city levels

- 3.1 Define and implement yearly capacity development plan and knowledge management plan by 2016.
- 3.2 Prepare NUDS-based provincial and/or regional climate-resilient urban development programs in three provinces, based on the approved NUDS by 2018.
- 3.3 Prepare NUDS-based climate-resilient urban development plans for six cities by 2018.

Inputs

Nordic Development Fund (for output 2):	€500,000
United States Agency for International Development (for output 1 and 3):	\$1,960,000
Government of Viet Nam (in-kind):	\$200,000

Assumption for Partner Financing

Not Applicable (TA fully administered by ADB).

MOC = Ministry of Construction; NUDS = national urban development strategy; SME = small and medium-sized enterprises; TA = technical assistance; TCR = technical assistance completion report; USAID = United States Agency for International Development.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN

(\$)

Item	Total Cost
A. Nordic Development Fund^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	200,000
ii. National consultants	100,000
b. International and local travel	30,000
c. Reports and communications	10,000
2. Equipment ^b	
Equipment for resilient construction ^c	80,000
Equipment for project management units ^d	20,000
3. Training and workshops ^e	30,000
4. Surveys, studies, and impact monitoring	30,000
5. Miscellaneous, administration and support costs	30,000
6. Contingencies	15,000
Subtotal (A)	545,000
B. United States Agency for International Development^f	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	1,120,000
ii. National consultants	450,000
b. International and local travel	120,000
c. Reports and communications	10,000
2. Equipment (IT) ^d	30,000
3. Training and workshops ^e	50,000
4. Surveys, studies, and impact monitoring	50,000
5. Miscellaneous, administration and support costs	105,000
6. Contingencies	25,000
Subtotal (B)	1,960,000
Total	2,505,000

Note: The technical assistance (TA) is estimated to cost \$2,505,000, of which contributions from the Nordic Development Fund and the United States Agency for International Development are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, and other in-kind contributions. The value of government contribution is estimated to account for 10% of the total TA cost.

^a Administered by the Asian Development Bank. This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant from the Nordic Development Fund (€1 = \$1.0884 as of 6 November 2015).

^b Includes resilient construction materials for demonstration homes only (estimated at \$5,000/house) and the rental of vehicles and machinery necessary for construction activities.

^c Output 2 will procure materials for households participating in demonstration or pilot activities associated with climate-resilient construction. The remaining households will be constructed using the government's own funding to demonstrate financial sustainability of the model.

^d IT equipment, such as laptops, computers, printers, scanners, photocopy machines and accessories for the executing agency and the implementing agency as well as software developed or customized for studies and/or urban service delivery.

^e Includes training, workshops, implementing awareness-raising activities, cost for producing capacity building and training resources including editing, formatting, printing, and dissemination of both print and multimedia materials. All equipment purchased under the TA will be handed over to MOC or to the city government at the end of the TA.

^f Administered by the Asian Development Bank. This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant from the United States Agency for International Development.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

The outputs of the TA will be delivered through a consultancy contract with (i) one firm to incorporate the three main outputs (NUDS, National Urban Planning and Capacity Development) of the TA, and (ii) individual consultants for specialist studies and advisory inputs, recruited as individual consultants or resource persons. The consultant contracts will be administered by ADB with UDA, MOC as the counterpart agency of the government. The terms of reference are output-based to suit a fixed budget selection and match the TA methodology. The consulting firm is expected to (i) review and comment on the suggested methodology; and (ii) propose a project team to achieve the TA objectives and the output. The firm will mobilize experts based on the identified gaps.

1. **Output 1:** The methodology to complete the assignment will be guided by the following principles:

- (i) Analysis of gaps in urban planning and urban development policies over the next 15 years, in coordination with the consultants recruited under the Foundation / Scoping Phase by Cities Alliance. The gap analysis will cover all the policies related to basic urban services (energy, water supply, wastewater, drainage and waste management), housing, urban transportation (especially public transport and access for walking or cycling), disaster management, food security and public health. A policy framework will be prepared for up to 10 identified gaps with coverage of the full policy cycle from identification to implementation, including monitoring, enforcement and evaluation. Priority policies (up to 10) will be identified through transparent selection criteria.
- (ii) Definition and completion final draft of the NUDS for MOC drafting and Prime Minister approval. After adoption of the NUDS it is expected that all the provinces will need to prepare a regional strategy for urban development based on the NUDS and on the Vietnam Green Growth Strategy of 2012.
- (iii) Preparation of an Urban Climate Change Resilient (UCCR) investment framework to guide the future investment priorities for urban development through a programmatic approach with the definition of a policy matrix to review legal and institutional gaps in urban development to 2030 and a list of project selection criteria to be agreed between development partners and central and local governments. The UCCR investment framework may follow the Global Infrastructure Basel¹ on a standard for sustainable and resilient infrastructure and the City Resilience Framework² being used by the 100 Resilient Cities or the Western Balkan Infrastructure Investment Framework used to deliver the Municipal Infrastructure Support Programme for the Republic of Serbia.
- (iv) Preparation of selected urban planning tools, including climate change risk assessment, based on NUDS and the National Green Growth Strategy. Provincial and regional climate-resilient green growth strategies in the form of urban development programs; resilient city action plan, based on government urban development plans and ADB green city action plans. To assist with the future implementation of the NUDS (outside the scope of the TA, but a full part of the scope of the project preparatory TA and the future lending program), tools are useful to standardize urban planning decision processes to be administered by the cities and the provinces. Such planning tools will be identified in the proposal and prepared by the consultant as part of this TA. In the urban planning

¹ Global Infrastructure Basel. 2015. SuRe: Standard for Sustainable and Resilient Infrastructure. Switzerland.

² ARUP. 2014 City Resilient Framework.

process, a risk based approach is proposed to evaluate climate change risks and impacts to determine the priority policies and the infrastructure development projects to be recommended for implementation. It is therefore expected that climate change risk assessment tools will be developed to assist the process. The tools will be prepared based on readily available existing data and recommendations on additional tools and further data requirements will also be proposed. The uncertainty of the intensity of climate change impacts have to be balanced against the certainty necessary for preparation of infrastructure adaptation projects for implementation. The “measurable, reportable, and verifiable” criteria often used for evaluating projects may not be suitable for climate change adaptation projects because many adaptive actions cannot immediately be measured or demonstrated.

2. **Output 2:** The methodology to complete the assignment will be guided by the following:
 - (i) Preparation of guidelines on urban resilient land use planning. The consultant will review existing and land-use plans and construction practices for urban and peri-urban areas for climate resilience and disaster risk reduction in the Mekong area. An urban resilient land use planning and infrastructure framework will be prepared under this output, following a review of practices and practical recommendations. The recommendations will be applied to pilot at least one resilient land-use plan, including protection measures for a low-income commune, which may include recommendations on upgraded resilient housing and urban infrastructure. To facilitate the formulation of a transparent monitoring and evaluation system, assistance will be provided to integrate existing databases of urban development and climate change and disaster risk information by Q3 2016. The project includes pilot area in one province for land-use planning and capacity building in climate and disaster resilient construction to determine best practices and document lessons learned, to be more responsive to natural disaster and climate risk in the form of guidelines to supplement existing land-use decisions. The recommendations will then be applied to pilot the resilient land-use plan, including low-income housing for a designated commune. Although the land use plan of the pilot site may exist, it needs to be reviewed and adjusted to better respond to climate change related risks. Concurrently, the project will review existing master plans for climate resilience and disaster risk reduction considerations in at least six highly vulnerable low-income urban areas in An Giang, Dong Thap, Ca Mau, and Kien Giang Provinces by Q1 2017 and/or across other ADB financed or proposed for funding projects. The guidelines will assist the usual land development planning such as management of residential, commercial and industrial developments, cityscapes and environmental protection while incorporating climate change in the designs. Two reports will be prepared: one report summarizing the review and recommendations on how to develop climate and disaster risk resilient land-use plans, and the other is the revised land-use plan for the selected target area.³
 - (ii) Preparation of guidelines and/or manual for low-cost resilient housing and pilots: Suitable planning mechanisms and low cost housing guidelines will be developed for coping with storms and floods in coastal areas influenced by extreme weather

³ The guidance provided by the Nordic Development Fund-financed *Adapting Urban Construction Plans to Climate Change in Vietnam by use of Strategic Environmental Assessment* will be used as a framework for the TA. In Viet Nam, the strategic environmental assessment is usually performed on a provincial scale. The guidance produced could supplement the knowledge produced under the TA with MOC.

addressing one of the major issues of the urban poor living in the peri-urban areas of the cities. Focusing on adapted housing as one of NUDS' critical subsectors, the TA will pilot a climate and disaster resilient housing model and knowledge suitable for living with storms and floods in coastal areas, which are affected by extreme weather. The assistance will adapt resilient construction models for the target provinces based on a review of best practices in Viet Nam and their suitability for the Mekong region.⁴ Construction materials will be selected for high levels of resilience to weather changes, environmental sustainability, affordability, local accessibility and durability. The region has plentiful mangrove forests, palm and other species traditionally used for construction as well as other locally available construction material. However, the assistance needs to test their resilience and suitability and analyze the costs. An additional requirement is that these homes can be maintained by local people with limited assistance from local construction companies.⁵ The details relating to the building structures will be determined through a planning process, which will include on-the-job capacity building. The project will develop a manual for low-cost climate resilient housing construction in the target area including costs norms for material and construction. A minimum of 10 community houses will be built in the target areas. The project will record its findings in a manual for low-cost climate resilient construction.

- (iii) **Preparation of Dissemination Plan and Capacity Building:** The resilient housing construction manual will be disseminated through a series of hands-on training workshops. The training events are aimed at local small and medium-sized enterprises (SMEs), construction contractors and local government officials. The project will also seek to engage local SMEs who have the potential to develop and use the construction materials locally. During each training participants will engage in classroom based and field based learning, including working on the pilot construction of a climate-resilient house. Each training workshop will thus leverage local expertise and apply the knowledge on the job, producing at least one house per training. Where possible, local community members will be involved in the workshops to develop their construction skills. Additionally, basic training will be provided on operation and maintenance of the resilient housing equipment, which may include solar water heating systems, rainwater harvesting, and waste management utilities. The capacity development will include three hands-on training events aimed at local SMEs, construction contractors, and local government officials to use the guidelines set out in the construction manual. It is expected to train at least 12 government agencies with improved capacity to address climate change issues and at least 100 individual stakeholders, including 50% women and 30% from private sector for at least 50 days with increased capacity to adapt to the impacts of climate change. Recommendations on the preparation of climate change risk assessment tools to assist provincial government in determining susceptibility and climate change adaptation requirements.

3. Output 3: The methodology to complete the assignment will be guided by the following:

⁴ P. Tran, T.H. Tran, and A.T. Tran. 2014. *Sheltering from a Gathering Storm: Typhoon Resilience in Vietnam*. Boulder: ISET-International.

⁵ The design should follow the Row Houses Design Standards TCXDVN 353 issued by MOC under Decision 42/2005/QĐ-BXD dated 29 November 2005 with minimum allowable criteria and easy, safe operation and use.

- (i) Preparation of three urban development programs, developed at the provincial level to promote regional planning for climate change resilience, based on the NUDS and the National Green Growth Strategy of 2012. The urban development programs will be formulated as a participatory planning exercise, including spatial development plans for climate change adaptation and mitigation.
- (ii) Preparation of six urban development plans, developed in a participatory manner and incorporating climate change resilience. These will identify key infrastructure, policy and institutional requirements in six priority cities and will act as precursors to the project preparatory TA. Cities will be prioritized on the basis of size and vulnerability. Under the NUDS, the urban development plans will be linked to the green cities action plan developed by ADB.
- (iii) Definition of a project pipeline with prioritized urban infrastructure projects for climate change mitigation and adaptation for the six priority cities to feed into the Sustainable and Resilient Urban Development Program. The pipeline of investment projects will focus on economic and environmental infrastructure to promote in line with the government Socio-Economic Development Plan 2016–2020, with ADB's GrEEEn Cities Concept (Environment, Equity, Economy).
- (iv) Assessment of affordability of a sustainable and resilient urban infrastructure investment program at the city and province level based on the latest relending decree from the Ministry of Finance. The strategies will be developed further to prioritize cities within each province and to prepare action plans for the prioritized cities, which will identify bankable development projects. The selected projects must be sustainable from social, affordability and implementation aspects.
- (v) Preparation of the basis of a programmatic approach to lending in the form of an updated NTP for urban climate change resilience based on NUDS or any other national document that would support program lending in urban climate change resilience. The program approach, as opposed to project approach will be adopted in the implementation of NUDS and involves identification of key development objectives for which policies are to be developed and adopted in the NUDS and the UCCRIF. The policies will cover the means of implementation, communication and feedback, monitoring and evaluation of effectiveness. The existing NTP for urban climate change resilience (2008) focuses on gathering information and preparing plans. The progress in preparing plans and information gathering needs to be evaluated, so that the next phase covering implementation can start. The updated NTP or any other modality suitable for the government to deliver a program lending in sustainable and resilient urban development would include procedures to select priority sectors and related urban development and urban infrastructure projects following a programmatic approach. The updated NTP will be supported by the rapid assessment of the Viet Nam urban sector to exposure and vulnerability to climate change. The updated NTP will need to consider the political and physical realities such as the political agenda, low capacity at district levels, sector prioritization, performance measurement, private sector participation, funding possibilities and affordability.
- (vi) Establishment of a communication and knowledge management plan. Communication and knowledge management plan for dissemination of the NUDS, the associated strategies, frameworks and the implementation thereof will be developed under the TA by the consultants, in coordination with the knowledge management consultants I (knowledge paper) and II (media) recruited as individual consultants.
- (vii) Definition of options for private sector participation and public–private partnerships in sustainable and resilient urban infrastructure investment program.

The involvement of the private sector in urban development and participation in climate change adaptation activities will be investigated and up to five proposals on possible involvement of the private sector will be made on financing or cofinancing urban infrastructure. Build-transfer contracts will be excluded from the scope of the TA.

- (viii) Other areas that will be explored under the TA include twinning of cities through decentralized cooperation and new modalities for financing municipal infrastructure and services.

Summary of Consultants Required (person-months)

Item	International	National
Firm		
Output 1: National Urban Development Strategy		
Urban Development Specialist / Team Leader ^a	18	24
Institutional Capacity Building Specialist ^a	6	9
Urban Planning Specialist (GIS) ^a	4	6
Municipal Finance Specialist ^a	6	9
Urban Economist	3	3
Land use Planning Specialist	4	6
Municipal infrastructure planner ^a	3	3
Subtotal (Output 1)	44	60
Output 2: National Urban Planning		
Architect / Housing Specialist / Deputy Team Leader ^a	6	9
Municipal Infrastructure Planner ^b	3	6
Community Development Specialist	3	6
Social Development Specialist (Gender and CSO)	2	4
Subtotal (Output 2)	14	25
Output 3: Inclusive Climate Change Resilience Planning		
Municipal Infrastructure Planner ^b	3	3
Database / GIS	0	9
Subtotal (Output 3)	3	12
Subtotal (Firm)	61	97
Individual Consultants		
Policy Advisor Urban	9	36
Project Coordinator M&E	9	36
Land Use Administration Expert	3	0
Knowledge Management I	6	0
Knowledge Management II	3	0
Subtotal (Individual Consultants)	30	72
Total	91	169

^a Key experts to be evaluated in the selection. If two key experts are combined, he/she will be evaluated twice based on the skills required. If a key expert is substituted for another skill better adapted to deliver the assignment, the evaluator will evaluate the expert based on the standard evaluation criteria template consisting of qualification and references.

^b Municipal infrastructure planner can be the same person.

Source: Asian Development Bank.