**request for project preparation grant (PPG)**

**Project Type: Full Sized Project**

**the Special Climate Change Fund (SCCF)**

**Submission date:** 4 March 2009

**Re-submission date:** 20 March 2009

**GEFSEC Project ID:** TBD

**GEF agency Project ID:**  37097 (ADB), 3741 (UNDP)

**Country:** Vietnam

**Project Title:** Climate Resilient Infrastructure Planning and Coastal Development in Vietnam

**GEF Agencies**: ADB, UNDP

**Other Executing partners:** Ministry of Agriculture and Rural Development (MARD); Provincial People’s Committees (PPC); and Ministry of Construction (MOC).

**GEF Focal Area:** Climate Change Adaptation

**a. Project preparation Timeframe**

|  |  |
| --- | --- |
| Start date | May 2009 |
| Completion date | October 2009 |

**b. project preparation activities**

**COMPONENT 1: Technical Definition and Capacity Needs Assessment**

1. Project formulation and procurement will be guided by the relevant policies of ADB and UNDP, including ADB's Guidelines on the Procurement of Consultants (as amended from time to time) and UNDP's Adaptation Policy Framework and guidelines for developing climate change adaptation projects which provide a basis for climate scenarios and sectoral impact assessments.

(a) Definition of a project baseline

2. A detailed review of the current design standards and climate risk information relating to Vietnam’s coastal zones and physical infrastructure will be undertaken. This analysis will take stock of the current state of resilience in coastal zones to existing climate variability and projected climate change impacts, including sea level rise (SLR). The baseline analysis will provide details about current and planned infrastructure development initiatives in the target areas and outline climate-related challenges and opportunities that need to be addressed in order to make coastal zones and related economic infrastructure truly resilient and compatible with the needs of vulnerable communities.

3. The baseline analysis will include a review of selected infrastructure projects in vulnerable coastal zones and will produce an inventory of policies, laws, executive regulations and decrees that govern climate-related resilience issues. This review will focus on the strengths, weaknesses, opportunities and threats of existing decision making, policies and sectoral planning systems. The information collected in this exercise will contribute to a root-cause analysis of climatic and non-climatic drivers that exacerbate vulnerability in times of growing uncertainty and environmental change. This analysis will be the basis for the definition of tangible research and demonstration activities proposed under the full-sized project.

(b) Identification of current and projected climate change risks in coastal areas

4. PPG resources will be used to undertake a climate change risk analysis of coastal areas in Vietnam (with focus on critical infrastructure, including rural roads, small scale water supply and sanitation, irrigation schemes and coastal protection measure, in vulnerable areas in the central coast region) and collect available materials on climatic projections for the upcoming decades. Building on the UNFCCC Initial National Communication/Second National Communication (INC/SNC) findings of climate change impacts and the recently completed Viet Nam National Target Program on Climate Change (NTP), resources will be used to target additonal analysis identifying the likely biophysical impacts, where they are likely to occur, on what scale, the timing of expected changes, and the socio-economic implications of the anticipated changes. The analysis will reflect the available range of climate and socio-economic scenarios on which impacts are projected, and define knowledge gaps that need to be addressed in the full-sized project.

5. PPG resources will be used to undertake a review of infrastructure vulnerabilities in coastal areas in order to guide the formulation of project interventions. In particular, resources will be used for the following:

* To provide a technically sound description of how climate change is projected[[1]](#footnote-2) to affect infrastructure in vulnerable coastal areas in their current setup (i.e. without additional risk mitigation measures). This analysis will be based on existing climate change scenarios. As applicable, this study will also draw upon the ADB-sponsored analysis of climate change impacts and adaptation responses in the Ho Chi Minh City.
* To estimate the likely costs and benefits of proposed project interventions (including probability of success) to mitigate climate change risks to planned infrastructure investments in vulnerable coastal areas of the central province.[[2]](#footnote-3) Consideration will be given financed alternative designs for infrastructure investments in areas where climate change impacts would likely lead to infrastructure redundancy or the need for relocation during the operational lifespan of the investments. Associated with this, a detailed description will be compiled of the expected implications for existing institutional/policy/legislative frameworks in coastal areas.

6. Stakeholder consultations and validation with relevant governmental and non-governmental agencies, as well as other bilateral donors, will supplement the findings of the climate change risk review and inform the technical feasibility and needs assessment for the proposed project. PPG funds will not be used to duplicate work already completed through the Vietnam's implementation of its commitments under the UNFCCC as outlined in its National Communications.

(c) Specific sites for intervention

7. This project is meant to climate proof certain types of coastal infrastructure investments and to document this process for wider replication. A thorough assessment of the location specific risks to be overcome through the project will be clarified to inform the overall design of the project. The assessment will be based on a synthesis of the climate change risk analysis, the extent of infrastructure vulnerability (spatially validated), and the outcomes of stakeholder consultations. Full attention will be given to the project’s potential for wider impact and replication within Vietnam.

(d) Clarifying additionality of proposed outcomes and interventions

8. The additionalityof the proposed project, relative to baseline development needs, will be clarified in the context of the proposed Outcomes as outlined in the PIF. A detailed description will be provided on how SCCF resources will be directed towards covering the **additional cost** of ensuring that baseline investments in coastal infrastructure incorporate climate change concerns. Towards this end, stakeholder consultations will be undertaken to assess the current range of resilience-enhancing and/or mal-adaptive activities that are already taking place. This assessment will clarify (i) where additional climate-proofing components are required to increase the resilience of planned investments and to ensure that investments are not financed in areas where relocation is a foregone conclusion within the operational lifespan of the infrastructure, and (ii) which investments in which locations have the greatest potential for technical enhancement and modification to increase their resilience to climate risks.

9. This information will ensure links to other planned and ongoing activities, and will contribute to explicitly describing specific urgent and immediate adaptation actions that require additional responses to account for climate change-induced risks. It will also review key activities to ensure that the project will be implemented in alignment with ADB/UNDP core competencies and comparative advantage.

10. The review and stakeholder consultations will facilitate discussions with other local and international institutions pursuing similar objectives/outcomes, and identify important potential partners including co-financing opportunities. It will facilitate discussions with agencies such as UNEP, World Bank, JICA and others on potential partnerships whereby the comparative advantage of these agencies can be brought in to bear on the design and implementation of this project as well as serving as audiences for the project's findings.

(e) I**ntegration with development plans, policies and complementary projects**

11. The project will integrate climate change adaptation into coastal zone management and development policies to promote increased resilience of critical infrastructure in vulnerable coastal areas; and also align itself with other core ADB and UNDP activities in Vietnam. In order to identify linkages of climate change concerns into national and coastal development plans and policies, a review of relevant national and coastal development policies will be undertaken. Useful documents in this regard include (i) the *National Socio-economic Development Plan (SEDP) for 2006-2010*; (ii) the Socio-economic Master Plans for the Northern-Central and Central-Coastal Economic Region till 2020; (iii) the Viet Nam National Target Program on Climate Change (iv) [*National Millennium Development Goal Report*](http://www.undg.org/content.cfm?cid=79&page=1&archives=0&detailed=&basic=&num=all&sort=country) (National MDG Report) and (v) the One UN Plan (2006-2010).

12. PPG resources will be used to ensure that the project maintains a focus on demonstrating the costs and benefits of climate proofing the most vulnerable coastal area infrastructure based on experience to be gained in the central provinces. Specific focus will be given to climate proofing coastal infrastructure investments to be financed through the Integrated Rural Development Sector Project in Central Provinces (IRDSP). The project will support implementation of ADB’s *Country Partnership Strategy for Viet Nam* *(2009-2011)* and link with ongoing technical assistance provided through the ADB Infrastructure Policy Reform Support to Viet Nam and the ADB/World Bank/JICA Study on Climate Impact Adaptation and Mitigation in Asian Coastal Mega Cities: Ho Chi Minh City. To ensure that past experience in the rural infrastructure sector in Viet Nam is captured, the project will also refer to the Irrigation and Flood Protection Rehabilitation Project[[3]](#footnote-4), the Red River Delta Water Resources Sector Project[[4]](#footnote-5), and the Rural Infrastructure Sector Project[[5]](#footnote-6).

**COMPONENT 2: Institutional arrangements, Monitoring and Evaluation**

13. The outputs of Component 1 will be used as technical input for the formulation of an SCCF compliant set of Project Documents (see para 25). Technical assistance will be required by national and international consultants who are (i) experienced in GEF project formulation; (ii) familiar with ADB and UNDP project implementation requirements; (iii) technically competent in the analysis of climate change impacts and adaptation options in the context of the project scope outlined in the PIF; and (iv) familiar with the institutional setting in Vietnam.

(a) Finalization of a Strategic Results Framework and definition of monitoring and evaluation provisions

14. PPG resources will be utilized in a participatory approach to finalize a detailed and joint Strategic Results Framework, which includes confirmation of the project goal, objective, outcomes, outputs, and their corresponding indicators of success. Qualitative and quantitative monitoring and evaluation indicators to measure and verify successful delivery of the Project Objective and Outcomes will be communicated to stakeholders. Project documentation will furthermore contain a joint work plan (gant chart) to guide the project implementation phase. A Monitoring and Evaluation strategy will be defined including clear identification of responsibilities and institutions, as well as an appropriate budget allocation (based on best practices and UNDP/ADB guidelines). This will reflect the requirements of the GEF Agencies *vis-à-vis* standard reporting and evaluation mechanisms. The Monitoring Plan will make reference to the above described qualitative and quantitative indicators that will measure the state of adaptive capacity at various stages of project implementation. Provisions for independent evaluation, audit and measures to ensure learning of lessons from implementation and their dissemination will be included.

(b) Definition of project roles and responsibilities

15. A delivery strategy with clearly identified roles and responsibilities of specific institutions for the overall management of the project will be developed through consultations with the Executing Agencies, the Central Project Management Unit (CPMU) for the Integrated Rural Development Sector Project in Central Provinces (IRDSP); and other key stakeholders. A rapid capacity assessment will be undertaken with relevant Ministries and/or other appropriate local institutions that could implement the full size project. Details on oversight of technical activities, including requisite reporting procedures, will be established. UNDP guidelines as articulated in the Results Based Management Framework will be followed in formulating and describing these details. Relevant ADB guidance will be equally applicable.

(c) Exit Strategy (Sustainability)

16. A detailed sustainability strategy will be defined in order to ensure replication of project benefits beyond the geographic scope and lifetime of the project. The PPG phase will focus on tangible milestones and agreements within the project cycle to ensure propagation of additional investment decisions for the replication of project benefits.

**COMPONENT 3: Stakeholder Consultations**

17. PPG resources will be utilized to engage key stakeholders at the national/sub-national and community level during the project design phase. In alignment with the approved project objective, a comprehensive stakeholder dialogue will be initiated to determine stakeholder needs vis-à-vis adaptation to potential climate change impacts, existing barriers to adaptation, expertise that might be helpful in designing and evaluating the project, and mapping of stakeholders who have been involved in similar initiatives or planning processes. The following activities will be undertaken:

(a) Mobilize and engage stakeholders

18. Participatory development of a general project framework will be followed by approval and endorsement by key stakeholders. The successful completion of the preparatory phase will require participation by a diverse range of number of key stakeholders:

* + Public, private, and international institutions that monitor and produce information related to climate change impacts in Vietnam. A mechanism for sharing information on climate risk management and technical capacities of communities and relevant institutions on integrating climate risks into coastal area management activities will be developed during the preparatory phase;
  + A wide array of national agencies, local authorities, NGOs and international technical cooperation bodies, and coastal communities will be consulted in order to establish an effective framework for the proposed project;
    - A plan for project management during the implementation phase of the FSP will be discussed and finalized during the preparatory phase.

(b) Definition and extension of partnerships

19. The PPG phase will include participatory negotiations with selected pilot local communities and stakeholders in vulnerable coastal areas to map existing adaptation requirements and knowledge gaps. Partnership requirements for support and co-funding at various levels (including government, NGO, private sector (tourism industry), and bilateral partnership arrangements) will be explored and outlined in the project document. Involvement of the media will be clarified and summarized under a defined communication strategy aimed at performing policy advocacy and dissemination of lessons learned.

(c) Community Mobilization

20. A detailed work plan based on a participatory stakeholder approach will be developed to mobilize local communities to contribute to the definition, implementation, monitoring and evaluation of relevant project components. This may include community participation in tracking the delivery of specific project Outcomes.

**COMPONENT 4: Financial planning**

(a) Facilitation and support of Government negotiations and consultations on project-related issues

21. PPG resources will be used to finance certain costs of facilitating and supporting the government of Vietnam to reach agreement on project objective, outcomes, outputs and indicators and to finalize government contributions and partnerships for support and co-funding of the envisaged project results.

(b) Partnership development

22. PPG resources will be used to facilitate partnership development for the FSP implementation. It will enable networking at the global and national levels in order to ensure a coherent and sustainable financing approach with perspectives beyond the project lifetime.

(c) Preparation of official endorsement letters and guarantees

23. An official endorsement letter has been prepared by the GEF Operational Focal Point of Vietnam for the PIF. The co-financing associated with this project is significant and already approved by ADB, UNDP and ADF. Co-financing guarantees will be collected from any further participating government institutions, bilateral development partners, multilateral development partners and NGOs who might provide additional in cash or in kind contributions to this project.

**c. outputs from preparation activities**

24. The final products of the proposed PPG phase, for submission to the SCCF, will be three linked documents:

(1) Joint ADB-UNDP CEO endorsement template and strategic results framework;

(2) Project Document covering those elements to be implemented by ADB;

(3) Project Document covering those elements to be implemented by UNDP.

25. While two separate Project Documents will be prepared (one for each GEF agency), they will be fully coherent, linked by a common strategic results framework, a joint stakeholder involvement plan, a coordinated timeline and common implementing arrangements. The documents will cover the following areas in detail:

* Clear description of development baseline activities and related sources of financing, in particular a summary of relevant baseline development plans and investment programmes of the public and private sector in Vietnam that focus on the development of infrastructure in coastal zones;
* Review and summary of the existing policy and regulatory framework relevant for coastal zones, with particular emphasis on where there is important economic infrastructure planned or in place;
* Review, analysis and summary of current and past project activities by government, donors, NGOs and private sector institutions that are related to increasing the resilience of coastal zone development;
* A collation and synthesis of supporting reports (climate risk assessments, economic assessments of climate change impacts and cost/benefit studies of adaptation options) to justify the proposed project interventions and leverage financing for the proposed activities (this may include a research gap analysis, pre-feasibility studies for demonstration measures, etc.)
* Specification of all adaptation activities to be financed by the SCCF and their adaptation rationale (why and how are they supposed to reduce vulnerability and/or increase adaptive capacity beyond what is already being done, including justification of economic benefits and cost effectiveness)[[6]](#footnote-7);
* Clear description and rationale for the geographic breakdown of the project across selected coastal areas in Vietnam;
* Definition of project goal, objective, outcomes, outputs and verifiable indicators;
* Definition of a Strategic Results Framework and a Monitoring and Evaluation (M&E) system with quantifiable and verifiable impact indicators. These indicators, which will specifically address adaptation impacts, will be based both on guidance by UNDP’s M&E framework for adaptation projects as well as relevant ADB guidance. The indicators will be connected to a monitoring and evaluation plan, which will set out how and by whom these indicators will be measured and which way verification data will be collected by the project.
* A work plan with detailed roles, responsibilities and a timeline for project implementation;
* Definition of a Stakeholder Involvement plan for the design, preparation and implementation phase of the project, with a clear focus on community involvement and participation;
* Definition of Project Management and Reporting arrangements.
* Endorsement letters from the government and letters confirming co-financing commitments;
* A detailed set of Annexes including a listing of PPG activities and reports from all project relevant stakeholder consultations.

|  |  |  |  |
| --- | --- | --- | --- |
| Project Preparation Activities | **SCCF Fund** | **Co-financing** | **Total** |
| 1. Technical Definition and Capacity Needs Assessment | 50,000 | 40,000 | 90,000 |
| 2. Institutional Arrangements, Monitoring and Evaluation | 25,000 | 30,000 | 55,000 |
| 3. Stakeholder Consultations | 17,500 | 15,500 | 33,000 |
| 4. Financial planning and co-financing definition | 7,500 | 4,500 | 12,000 |
| PPG Management Budget Costs\* | 0 | 15,000 | 15,000 |
| **Total project preparation financing** | **100,000** | **105,000** | **205,000** |

\* This item is the aggregate cost of project management; breakdown of the aggregate amount is presented in the table below. NB: The PPG management budget covers in-country operational management costs and expenditures related to facilitation of PPG activities and delivery of PPG outcomes.

No UNDP Implementing Agency Services costs will be charged to the PPG Management Budget. All such costs will be charged to the IA fee.

1. **PPG Budget Requesting SCCF Financing**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cost Items | Total Estimated Person weeks **(pw)** | SCCF Fund | Co-financing ($) | Total ($) |
| Local consultants | 65 | 25,000 | 20,000 | 45,000 |
| International consultants | 32 | 55,000 | 35,000 | 90,000 |
| Technical workshops |  | 8,000 | 15,000 | 23,000 |
| Communications, reports, travel |  | 12,000 | 20,000 | 32,000 |
| Management |  | 0 | 15,000 | 15,000 |
| **Total PPG Budget** |  | 100,000 | 105,000 | 205,000 |

1. **GEF Agencies Certification**

|  |  |
| --- | --- |
| This request has been prepared in accordance with GEF policies and procedures and meets the LDCF/SCCF criteria for project identification and preparation. | |
| *DMcC-signature*  *David McCauley*  *Principal Environment Specialist*  Asian Development Bank  GEF Agency Coordinator | A,Tayyab  *Ahsan Tayyab*  *Senior Natural Resources Economist*  Project Contact Person  Southeast Asia Department |
| Date: *February 13, 2009* | Tel. and email: [atayyab@adb.org](mailto:atayyab@adb.org)  (632) 632 5333 |
| Yannick Glemarec  Executive Coordinator  UNDP/GEF | Project Contact Person  Gernot Laganda  UNDP/GEF Regional Technical Advisor  (through Bo Lim, Principal Technical Advisor) |
| Date: February 27, 2009 | Tel. and email: :+66/2288/2644 (gernot.laganda@undp.org) |

**Annex A**

**Consultants Financed by the Project Preparation Grant (PPG)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Position Titles** | **$/**  **person week** | **Estimated PWs** | **Tasks to be performed** |
| **National** |  |  |  |
| Project Assessment Specialists  (2 National Consultants equally shared between ADB and UNDP) | 500 | 90 | - Compile and collate climate change scenario information, available risk analyses;  - Coordinate negotiations and consultations with government agencies, project stakeholders and potential partners;  - Help coordinate all PPG activities and ensure the quality of outputs;  - Contribute to and support baseline analyses and project definition activities;  - Contribute to cost benefit analysis of adaptation interventions for selected infrastructure investments.  - Organize and facilitate a series of technical and consultative workshops;  - Refine vulnerability analysis, system boundaries and project scope;  - Identify specific sites for project intervention;  - Analyze existing resilience knowledge gaps and prioritize most important research activities;  - Review relevant national and coastal development plans and policies and identify linkages with climate change concerns.  - Propose a policy, institutional and capacity development strategy for the project;  - Assist in the analysis and design of adaptation measures for demonstration and replication;  - Develop a communication strategy with communities and facilitate their participation;  - Define project roles and responsibilities and propose suitable project management, implementation and reporting arrangements;  - Assist in the design of the project’s Knowledge Management and M&E component (including learning mechanisms and impact indicators);  - Develop a replication and sustainability strategy for the project;  - Help build partnerships and mobilize resources; |
| **International** |  |  |  |
| Climate Change Adaptation Specialist (ADB) | 2500 | 18 | - Provide guidance and oversight on national consultant inputs.  - Promote stakeholder participation and assist national consultation processes  - Ensure inclusion in the project of appropriate adaptation measures with specific focus on coastal area infrastructure investments.  - Help build partnerships and mobilize resources  - Review project workplan  - Quality control of project document preparation in line with ADB/GEF requirements;  - Assist in verifying climate risks associated with the project’s target areas;  - Validate problem analysis of the project;  - Finalize project Outcomes, Outputs and their corresponding verifiable indicators of success, as they relate to climate proofing elements;  - Design and preparation of cost benefit analysis of adaptation interventions for selected ADB infrastructure investments.  - Ensure that the project approach is cost-effective;  - Contribute to the definition of ADB-GEF compliant management arrangements;  - Assist process of co-financing design and ensure that co-financing letters are obtained;  - Facilitate stakeholder consultations on project preparation, as they relate to climate proofing elements;  - Finalize detailed budget and TOR for all climate proofing related inputs.  - Contribute to the development of CEO endorsement template and results framework for ADB project components and ensure coherence with UNDP components.  - Prepare SCCF compliant Project Document covering those elements to be implemented by ADB; |
| Climate Change Adaptation Specialist (UNDP) | 2500 | 18 | - Provide guidance and oversight on national consultant inputs.  - Based on existing regional models and research products, collate existing climate change scenario information / impact projections for Vietnam.  - Contribute to a stakeholder analysis, promote stakeholder participation and assist with national consultation processes;  - Ensure that the project is proposing appropriate adaptation measures and responds adequately to actual community needs;  - Help build partnerships and mobilize resources;  - Guide implementation of the PPG phase;  - Oversee finalization of a Results Framework and definition of indicative project activities, ensuring coherence with ADB components;  - Define a project work plan and coordinate input by all national and international consultants;  - Quality control for the FSP in line with UNDP/GEF requirements;  - Assist in verifying climate risks associated with the project’s target areas;  - Validate problem analysis of the project;  - Guide the determination of the scope and strategy of the project;  - Finalize project Outcomes, Outputs and their corresponding verifiable indicators of success;  - Ensure additionality of the project and guide/facilitate respective discussions;  - Ensure that the project approach is cost-effective;  - Contribute to the definition of UNDP-GEF compliant management arrangements;  - Facilitate the process of co-financing design and ensure that co-financing letters are obtained;  - Facilitate stakeholder consultations on project preparation, including finalization of a detailed budget and TOR for all inputs in line with UNDP-GEF criteria and eligibility principles.  - Contribute to the development of CEO endorsement template and results framework for UNDP project components and ensure coherence with ADB components.  - Prepare SCCF compliant Project Document covering those elements to be implemented by UNDP; |

1. Climate change projections will include reference to the UNDP Climate Change Country Profile and Data for Vietnam. See <http://country-profiles.geog.ox.ac.uk/> [↑](#footnote-ref-2)
2. Baseline investments considered in the project will focus specifically on the ADB Loan and Technical Assistance Grant for the Integrated Rural Development Sector Project in Central Provinces (IRDSP), approved 15 October, 2007 [↑](#footnote-ref-3)
3. ADB. 1993. Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the

   Socialist Republic of Viet Nam for the Irrigation and Flood Protection Rehabilitation Project. Manila. [↑](#footnote-ref-4)
4. ADB. 1994. Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the

   Socialist Republic of Viet Nam for the Red River Delta Water Resources Sector Project. Manila. [↑](#footnote-ref-5)
5. ADB. 1997. Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the

   Socialist Republic of Viet Nam for the Rural Infrastructure Sector Project. Manila. [↑](#footnote-ref-6)
6. Adaptation activities will demonstrate the costs and benefits of climate proofing infrastructure investments in selected vulnerable coastal areas. [↑](#footnote-ref-7)