

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

I. Project Profile

ADB Official Project Title: Secondary Green Cities Development Project

ADB Project Number: 47274-003

1. General Information	1	GEF ID (PMIS ID)	: 6924 / 9484
	2	Focal Area(s)	: Climate Change (ID6924) / Multi Focal Area (ID9484)
	3	Region	: Southeast Asia
	4	Country	: Viet Nam
	5	GEF Project Title	: Promoting Climate Resilience in Viet Nam Cities (ID6924)/ Integrated Approaches for Sustainable Cities in Viet Nam (ID9484)
	6	Project Size (FSP; MSP)	FSP
	7	Trust Fund (GEFTF; SCCF; LDCF)	SCCF (ID6924) / GEFTF (ID9484)
2. Milestone Dates	8	GEF CEO Endorsement Date (mm/dd/yy)	30 Aug 2016 (ID6924)/ 14 Dec 2016 (ID9484)
	9	ADB Approval Date (mm/dd/yy)	31 Oct 2017
	10	GEF Grant Signing (mm/dd/yy)	27 Jun 2018
	11	Project Implementation Start Date (mm/dd/yy)	17 April 2019
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy)	No Disbursement as of July 2019
	13	Final date of GEF Grant Disbursement (mm/dd/yy)	N/A
		Proposed/Revised Implementation End (mm/dd/yy)	30 Jun 2024
3. Funding	14	Actual Implementation End (mm/dd/yy)	N/A
	15	Expected Financial Closure Date (mm/dd/yy)	31 Dec 2024
	16	PPG/PDF Funding (USD)	
	17	GEF Grant (USD)	\$ 4,566,210 (ID6924)/ \$ 8,256,881 (ID9484)
	18	Total GEF Disbursement as of 31 July 2019 (USD)	0
	19	Confirmed Co-Finance at CEO Endorsement (USD)	\$ 77,897,100 (ID6924)/ \$ 148,472,900 (ID9484)
	20	Materialized Co-Finance at project mid-term (USD)	
4. Evaluations	21	Materialized Co-Finance at project completion (USD)	
	22	Proposed Mid-term date (mm/dd/yy)	15/12/2020
	23	Actual Mid-Term date - if applicable (mm/dd/yy)	
	24	Proposed Terminal Evaluation date (mm/dd/yy)	15/06/2024
	25	Actual Terminal Evaluation Date (mm/dd/yy)	
	26	Tracking Tools Required (Yes/No/ Focal Area TT)	
	27	Tracking Tools Date - if applicable (mm/dd/yy) Midterm Tracking Tool Terminal Evaluation Tracking Tool	
5. Ratings	28	Overall Implementation Progress Rating (IP)	Satisfactory (S)

	29	Overall Development Objectives Rating (DO)	Satisfactory (S)
	30	Overall Risk Rating	Low
	31	Overall Project Rating	Satisfactory (S)
6. Status	32	Status (GEF grant for ADB board approval/ GEF grant on-going)	: On going
	33	Implementation Status (1 st , 2 nd , 3 rd PIR..., Final PIR)	: 1st PIR
7. Files	34	PIR File Name (GEFID6924 / 9484_2019_ADB_Vietnam_Secondary Green Cities Development Project)	

II. Project Contacts

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Grant 0549-VIE EA Project Officer Name and Agency Email	Mrs. Nguyen Phuong Lan, Chairwoman cum PMU Director Ha Giang City People's Committee lanhagiang@gmail.com
Co-Implementing Partner Name and Agency Email	N/A
Project Coordinator/Manager Name and Agency Email	Mr. Nessim Ahmad Deputy Director General, Sustainable Development and Climate Change Department, Concurrently Chief Compliance Officer, ADB njahmad@adb.org
UNDP Country Program Officer Email	N/A

III. Project Implementation

A. Project Description:

The GEF Grant supports (i) TA 9417-VIE, a \$13.82 million Technical Assistance (\$ 10,82 million by GEF and \$2 million by UCCRTF) is attached to the Secondary Green Cities Development Project and (ii) Grant 0549-VIE, a \$2 million Grant Investment for Energy Efficiency for Street Lighting in Ha Giang is blended into the investment loan. The TA has 3 components and associated outcomes.

1. Component 1: Strengthen City Planning Processes

Outcome 1.1: Integrated, resilient planning in 3 cities. The Grant provides technical support to Ha Giang, Hue and Vinh Yen as they implement the existing GCAPs and then prepare updated, improved green city action plans. Capacity will be built in the three cities through their involvement in these processes – i.e. on the job capacity development. This will result in a strengthened city planning process that mainstreams green planning/design approaches, resilience and the GCAP process into city master plans for spatial and socio-economic development.

Outcome 1.2: Replicating integrated, resilient planning in six cities: Six additional secondary cities will be selected based on (i) their readiness and commitment to take a GCAP approach, (ii) their potential for reducing GHG emissions, (iii) their vulnerability to climate and other risks; and (iv) assessments of infrastructure, services and capacity gaps. The alternative will support preparation of integrated urban development plans and build capacity in the six cities to prepare and implement plans.

2. Component 2: Demonstrating Low Impact and Climate Resilient Development

Outcome 2.1: Demonstrating prioritized strengthening of resilience of urban investments. Outcome 2.1 will support a rigorous and cost-effective process that contributes to overall climate resilience at the city level. The process will involve (i) full definition of threats; (ii) selection of priority sub-projects and possibly some new investments for climate proofing; (iii) re-scoping or re-design of the priority sub-projects to ensure they are more resilient; (iv) supplying necessary goods/equipment as needed for the modified designs; and (v) capturing the knowledge. The whole process will be implemented through an approach that develops national and city capacity.

Outcome 2.2: Demonstrating an integrated package of investments that lead to transition to low impact, low carbon development in Ha Giang city. In Ha Giang, the alternative will demonstrate how to practically implement an integrated approach, how this can generate synergies, and how this can nudge a smaller secondary city onto a green, integrated, resilient pathway. The integrated package of technologies will contribute to reduced GHG emissions, improved urban livability, increased resilience of vulnerable populations, community development, and positives impacts on biodiversity.

Outcome 2.3: Demonstrating community based and insurance-based resilience. This outcome is totally financed by UCCR TF co-financing and will be implemented within the framework of GEF activities, and through the same management, monitoring and learning framework.

3. Component 3: Improved Enabling Environment for Upscaling Integrated, Resilient Approaches.

Outcome 3.1: Strengthened enabling institutional environment. The GEF supported alternative will strengthen the national framework that provides the foundation and incentives for the adoption of integrated, low carbon, low impact, resilient planning by secondary cities across Viet Nam. This will

facilitate replication, upscaling and institutionalization of the successes. The policy and technical support will focus mostly on MONRE and related institutes.

B. Implementation Progress (IP) Rating:

The GEF grant was endorsed by the GEF CEO on August 30, 2016 under the Special Climate Change Fund and October 31, 2017 under GEF Trust Fund and linked to the Sustainable Cities Integrated Approach Pilot.

The GEF grant was initially proposed to be linked to the ADB financed Secondary Green Cities Development Project, implemented through a result-based lending (RBL) modality. However, subsequent to the GEF grant endorsement, ADB proposed to change the lending modality to a standard investment loan. This was done due to the limited experience in Viet Nam with results-based lending and concern that this may complicate implementation.

Subsequently, the lending modality was revised based on agreement with the State Bank of Viet Nam (SBV) and the 3 participating cities, as well as consultation with MONRE. This caused a delay in the approval of the ADB loan of approximately 11 months from December 2016 to November 2017.

During this period ADB and MONRE entered further consultations, with ADB sending an official request in June 2017 for MONRE to request approval from the Prime Minister for domestic approval of the GEF grant funds. In July 2017, ADB and MONRE agreed for delegation of administration of Output 1 to MONRE. ADB also provides technical support to MONRE to prepare the project document proposal for GOV approval.

In May 2018, MONRE officially requested further discussion with ADB to further negotiate the implementation arrangements, including additional delegation and responsibility for additional project outputs. ADB issued the NOL to delegation of Output 4 to MONRE in October 2018. The delay occurred as ADB would like to ensure that MONRE has sufficient capacity and clear delegation of responsibilities to departments with an appropriate mandate and staff resources. The main reason for the unforeseeable delay is delegation of administration to MONRE and approval of GOV

A more detailed chronological timeline is provided below.

- February 24, 2016: ADB informed SBV a Loan Fact Finding Mission under Results-based lending (RBL) modality to 3 Cities from February 25 to March 18, 2016. The mission was attended by GEF team led by Xiaomei Tan (GEF) and accompanied by GEF consultant teams
- August 30, 2016: GEF CEO Endorsement using Special Climate Change Fund
- October 31, 2016: GEF CEO Endorsement of sub-project under a Program using GEF Trust Fund
- In Nov 2016, SERD management decided to change the modality to a standard investment loan.
- November and December 2016: ADB held various meetings to inform GOV (MPI, MOF, SBV) the change of the loan modality from RBL to a standard investment loan;
- March 17, 2017: MOU of loan re-appraisal mission signed with 3 Provinces;
- May 25, 2017: ADB Management Review Meeting approved the proposed investment project, including the TA Concept;
- June 9, 2017: ADB sent official letter to MONRE requesting for preparation of Project Outline to

be submitted to the Prime Minister for approval by July 10, 2017, given ADB management's clearance to the TA Concept;

- July 28, 2017: ADB and MONRE agreed for delegation of administration of Output 1 to MONRE
- September 27, 2017: Loan negotiations held in VRM;
- October 6, 2018: ADB sent updated TA MOU to MONRE for delegation of administration of Output 1
- January 16, 2018: ADB sent official letter to MONRE requesting to prepare a Project Outline and submit to the Prime Minister at the earliest approval;
- May 28, 2018: MONRE sent ADB a written request for additional delegation of administration of TA Outputs 4 to MONRE
- June 29, 2018: GEF Grant agreement 0549-VIE (\$2 Million) grant for Ha Giang was signed by ADB and GOV
- October 1, 2018: ADB sent MONRE a NOL for delegation of administration of Output 4 to MONRE
- October 26, 2018: SBV sent ADB a written request for extension of ADB approval validity for 6 months from October 31, 2018 in order to complete the GOV approval procedures.
- April 15, 2019: ADB and MONRE signed the MOU on the TA
- April 19, 2019: State Bank of Vietnam sent ADB the No-objection letter of GOV to the TA
- MONRE circulated the PO submission and Project Documents and collected comments from all line ministries and submitted to the Office of Government for Prime Minister approval at the end of July 2019. Project Documents (PO) of the TA was approved by GOV on 18 September 2019.
- October 7-14, 2019: ADB Review Mission conducted meetings with MONRE and 3 Cities to review and update the project implementation schedule and discuss potential problems and viable solutions.
- December 5-6, 2019: a study tour was conducted in Singapore with the participation of 13 Government officials from relevant cities to learn about Singapore's experience in implementing nature-based solutions for green and water sensitive city development (GEF – Output 2)
- January 30, 2020: Project Document was approved by MONRE leader

a) **GEF Grant Disbursement**

The first disbursement of the TA is expected to happen by December 2019 under TA Output 3 administered by ADB. TA Output 1&4 have been delegated to MONRE. The Project Document was approved by MONRE on 30 January 2020 but the decision on the formulation of PMU is pending approval so the first disbursement will not happen before the fourth quarter of 2020.

As for the **Grant 0549-VIE: Energy Efficiency for Street Lighting System in Ha Giang**, PMU engaged a consultant to prepare the bidding documents for the package HG-CS11 using GOV funding. ADB reviewed the TOR and provided feedback to the PMU, which was partly reflected in an updated version of the feasibility study. The feasibility study document does not make a detailed estimate of the expected energy savings and the design has not been developed with an energy savings objective. Thus, ADB procured a consultant using CMS to further improve the detailed design for HG-CW08. The PMU indicated that it would prefer a classic goods and works contract rather than a design-build works contract, where energy saving was one of the performance criteria for the contractor. Considering the

nature of the package, both parties agreed that the current Procurement Plan has been updated to reflect this change.

ADB therefore included additional resources necessary for a detailed design of the proposed system in the TA so the bidding documents allow the PMU to immediately procure the lighting system. The international lighting system specialist was on board on 10 October 2019. After the site visit, review of detailed engineering design, as well as stakeholder consultation, a summary of recommendations was sent to Ha Giang PMU on 14 November 2019. The analysis indicates that QCVN 07-7:2016/BXD national lighting standards are much higher than necessary, based on the levels set by international standards (both in EU and North America), for comparable roads, and especially for smaller roads. The use of QCVN 07-7:2016/BXD without proper guidance can result in increased energy consumption and costs for provinces and cities, and further contribute to increase in global climate change, and local air and light pollution. However, the current design and specifications prepared for the equipment procurement require the design levels for main roads to meet QCVN 07-7:2016/BXD requirements, but can also be changed to operate at levels specified by international requirements in order to increase energy savings while reducing operating costs and pollution.

Ha Giang PPC has sought MOC's endorsement/guidance on the expert's recommendations on the standard issue. On 13 December 2019, MOC's official response was sent to Ha Giang PPC stating that Ha Giang PPC responsible for their decision on the applicable international standards, however, ensuring compliance with the national lighting code on the National technical regulations on technical infrastructure of lighting works (i.e., QCVN07 – 7:2016/BXD). The detailed design for construction drawings was revised accordingly by the international lighting expert and submitted to ADB for comments by Ha Giang PMU. Upon ADB's no objection, the detailed design approval and bidding document preparation will be completed by the first quarter of 2020. This package will be advertised in Q4/2019 or Q1/2020 and disbursement is expected in Q3/2020.

b) Gender Action Plan Implementation Status

SCDP-GC is classified as "Effective Gender Mainstreaming (EGM)". During preparation of SCDP- GC, a gender assessment was undertaken for each city, and a rapid assessment was undertaken for each priority sub-project. The gender assessment identified the following key issues: access of women to services and opportunities provided under the program; affordability of services; equal participation of women in decision-making activities at Program, commune and city levels. Accordingly, a gender action plan (GAP) was prepared, which covers both baseline and GEF supported activities. The GAP proposes a systematic framework for ensuring that women participate in and benefit from the activities. The GAP also provides a framework for monitoring gender-specific aspects of the impact of the project and benefits realization during the implementation phase.

An assessment of capacity to mainstream gender was undertaken during project preparation. Key gender specific measures include: (i) 30% - 60% of the Project Management Units (PMUs) staff members are to be female; (ii) guidelines are to be developed and institutionalized on the participation of the disadvantaged groups (including women) in prioritizing, planning, implementation, supervision of civil work and services and O&M of cities infrastructure services; (iii) capacity building for PMUs staff and implementation agencies staff focusing on both female participation and gender mainstreaming in technical contents, and implementation guidelines; (iv) the community-led initiatives that involve

stakeholders utilize engagement principles with attention to women's economic participation and decision making (such as compost making, green farming) and (vi) M&E of the gender results included in the project monitoring system.

In addition, the following measures will ensure the effective gender mainstreaming during baseline implementation:

- Preparation of a gender related loan covenant to guide implementation and reporting on gender equality implementation;
- Gender disaggregated monitoring of sub-project impacts;
- Support to sub-project design, to ensure gender effectiveness, through the design and procurement review advisory.

Gender Action Plan Monitoring Table was updated during ADB Review Mission (7-14 October 2019) and attached to the Aide Memoire circulated to relevant agencies.

a) **Social and Environmental Safeguard Plan Implementation Status**

Overall supervision of the GEF funds is subject to the ADB due diligence and safeguards system and all environmental and social safeguards will be ensured through this system. GEF funds are used to provide associated technical support and capacity development to the baseline SCDP-GC project. There are no additional risks or concerns associated with the GEF funds over the baseline. Hence, the management of safeguards for GEF funds is through the management of safeguards of the baseline investment.

The ADB Safeguard Policy Statement (SPS, 2009) will apply. The process to deliver and operationalize the SPS will be through the existing Vietnamese government legislation and procedures. No sub-project ranked as category A for environment, involuntary settlement or indigenous people will be supported under the SCDP-GC or with GEF co-finance. All sub-projects will be category B or C;

For environment, as all supported sub-projects are category B or C, this means that potential adverse impacts, if any, are site-specific, few, and will be reversible, and mitigation measures can be readily designed. During SCDP-GC implementation, an initial environmental examination will be prepared for each sub-project, which will include an environmental management plan to be updated during detailed design and integrated into bidding documents;

For involuntary resettlement (IR), category B or C means that, at most, sub-projects are expected to have minimal involuntary resettlement impacts on a small number of households. The GEF administered funds will not be involved in the parts of the project related to involuntary resettlement and will not be involved with activities related to involuntary resettlement. For each baseline Category B sub-project, a resettlement plan will be prepared based on an assessment of impacts and consultations with affected persons. Affected people and local stakeholders will be consulted and provided with relevant information. The sub project's IR impacts will be adequately assessed, and measures developed in a resettlement plan to adequately address the impacts identified;

Indigenous people may be involved in activities in Ha Giang, both in the baseline sub-projects and GEF administered funds, as potential beneficiaries. The safeguard system will ensure that (i) full consultation with IP representatives is undertaken at all time; (ii) Vietnamese government agencies receive necessary training and institutional strengthening related to working with IP; (iii) for category B sub-projects, an

indigenous people plan (IPP), including assessment of social impacts, will be prepared during SCDP-GC implementation.

Impact level	Performance Indicators with Targets and Baselines	Status
Outcome	2023	
Integrated planning incorporating Climate resilience and environmental protection mainstreamed in to urban planning processes in secondary cities in Vietnam	GrEEEn ^a Cities approaches integrated in to Vietnam's planning process	GOV issued no-objection to the TA 9417-VIE so the TA is effective on 17 April 2019. TA Project Outline was approved GOV on 18 September 2019. The Project Document was approved by MONRE on 30 January 2020.
Outputs	By 2022:	
1. Strengthened city planning and implementation processes (Inclusive)	1a. 3 Updated GCAPs prepared for Hue, Vinh Yen and Ha Giang (2019) ^b	The name and definition of GCAP will be further reviewed under Output 1
	1b. GCAPs for 6 new secondary cities prepared ¹	As above
	1c. GCAPs mainstreamed into the Project Cities' Master Plans by 2022	As above
	1d. Strengthened capacity of at least 200 professionals from the central and local governments with at least 33% female to integrate green city principles into urban planning and budgeting processes.	As above
	1.d. Gender balanced and professionally staffed PMU with at least 33% female (2019)	A gender action plan (GAP) was prepared, which covers both baseline and GEF supported activities. The GAP also provides a framework for monitoring gender-specific aspects of the impact of the project and benefits realization during the implementation

¹ Totally financed by GEF/SCIAP and associated co-financing

	1e. Independent verification assistance (IVA) to assess performance of loan against Disbursement linked indicators (DLIs)	<p>phase. Each city is responsible for submission of semiannually social safeguards monitoring report, covering gender aspect</p> <p>Gender Action Plan Monitoring Table was updated during ADB Review Mission (7-14 October 2019) and attached to the Aide Memoire circulated to relevant agencies.</p> <p>Not applicable due to ADB's change of loan modality from RBL to standard investment loan.</p>
2. Enhanced low impact and climate resilient development	<p>By 2022</p> <p>2a. Recommendations for greening design and procurement for urban investments in project cities provided. (Baseline: N/A)</p>	<p>ADB mobilized green design solutions enhancement consultants to support the three project cities from August to October 2018 to improve DED of selected components. The consultants' recommendations and reports were shared with three Cities for reflection into the DED.</p> <p>Ha Giang: It was agreed that ADB would mobilize technical resources to 1. update the designs with the natural features proposed by the consulting firm and 2. Carry out a hydraulic analysis to verify bank stability, which includes natural edge, gabions, etc. The resources will be mobilized using the funds available under Output 2</p> <p>Hue: ADB had issued a letter to PPC related to green design features, PMU starts putting it through government process i.e. re-adjusting/re-approval PP</p>

	<p>2b. 27 km of drainage improved (loan financed)</p> <p>2c. Disaster risk financing piloted in one secondary city (funded by UCCRTF)</p> <p>2d. Determination of optimal insurance products that provide incentives to Vietnamese cities for adaptation through integrated green city planning.</p> <p>2e. Replacement of at least 1000 street lights to energy efficient lighting in Ha Giang city.</p> <p>2f. At least [300,000] beneficiaries including [20,000] vulnerable beneficiaries have access to newly built infrastructure following low impact development and GrEEEn City approach</p>	<p>in parallel with extension of DED contracts for finalizing of domestic documents</p> <p>Not yet started</p> <p>Contract was awarded at the end of July 2019. Notice to proceed was issued to the Consultant for commencement on 1 August 2019.</p> <p>The Disaster Risk Consultant on board and held a kickoff work shop with project stakeholders on 8 October 2019</p> <p>Contract award is expected Quarter 3/2020</p> <p>Not yet started</p>
3. Improved enabling environment for upscaling green cities approaches	<p>By 2022:</p> <p>3a. National regulation on green cities approved and issued.</p> <p>3b. Technical Guidelines on implementing the national regulation on green cities (indicator 3a) issued.</p> <p>3c. Government decision to establish a green city financing mechanism.</p> <p>3d. Endorsed policy document on</p>	<p>MONRE is preparing TOR and cost estimates under Output 1 and 4 of the TA.</p> <p>To be implemented under Output 1 of the TA</p> <p>To be implemented under Output 1 of the TA</p> <p>To be implemented under</p>

	CDRF issued.	Output 3 of the TA
	3e. At least eight cities join the Viet Nam sustainable cities cluster.	Not yet started
	3f. Strengthened MONRE capacity to support integrated, resilient city plan	Not yet started

C. Global Environmental Benefits (GEB) Objective/ Development Objective (DO) Rating:

Following indicators will apply for M&E of Global Environmental Benefits

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	23800 hectares
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	Hectares
3. Promotion of collective management of trans boundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	Number of freshwater basins
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	Percent of fisheries, by volume
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO ₂ e mitigated (include both direct and indirect)	11.3 metric tons
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	metric tons
	Reduction of 1000 tons of Mercury	metric tons
	Phase-out of 303.44 tons of ODP (HCFC)	ODP tons
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	Number of Countries:
	Functional environmental information systems are established to support decision-making in at least 10 countries	Number of Countries:

D. Risk Rating:

Risk and Description	Impact & Probability ²	Update on Countermeasures/Management response
Overall project risks		
Delayed start of project implementation	I - 3 P- 5	Close consultation between GOV and ADB regarding project approvals is needed
Lack of coordination with other climate change adaptation projects and initiatives	I - 3 P- 1	Many CCA initiatives are already underway in Viet Nam. It is critical that these initiatives are coordinated to avoid duplication; to ensure that the various initiatives work together not in isolation; and to share knowledge. Consultation has already been undertaken with key Ministries (MONRE, MOC), development partners (World Bank, UNDP, GIZ) and NGOs (Association of Cities of Viet Nam) to mitigate this risk and will continue during the project preparation phase.
Lack of sustained commitment to reforms to promote climate resilience and integrated city approach	I - 2 P- 2	As described above, GOV has taken a proactive approach to addressing the climate change and urbanization challenges. Strong government commitment exists at all levels (national, provincial, city) to promote resilient, low carbon urban systems.
Lack of Coordination between and among relevant Agencies	I - 4 P- 2	Initial consultations indicate the benefits of establishing high-level Project Steering Committee comprising senior local government officials, and chaired by MONRE to effectively coordinate the project. The membership and institutional arrangements for the Steering Committee will be finalized during project preparation, including the mechanisms to link to the NCCC, chaired by the Prime Minister.
Low institutional capacity (technical, financial, environmental management)	I - 3 P- 2	Technical Assistance will be provided under the baseline project for specialist assistance to participating cities
Lack of qualified and available local staff for project implementation	I - 3 P- 2	Mitigated by development of a staff recruiting strategy during project preparation. With many climate change related projects underway in Vietnam, there is a growing pool of suitably-qualified local staff available.

² Range 1-5, where 5 is highest.

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Risk and Description	Impact & Probability ³	Update on Countermeasures/Management response
Risks to All Project Outcomes		
<p>Lack of experience with the RBL modality leads to delays.</p> <p><i>The RBL modality is new to Viet Nam, leading to some uncertainty, and to the danger that unexpected problems will be encountered. Further, there are some specific requirements that may take time to meet.</i></p>	<p>I - 3 P- 2</p>	<p>The GEF grant was initially proposed to be linked to the ADB financed Secondary Green Cities Development Project, implemented through a result-based lending (RBL) modality. However, subsequent to the GEF grant endorsement, ADB proposed to change the lending modality to a standard investment loan. This was done due to the limited experience in Viet Nam with results-based lending and concern that this may complicate implementation. ADB communicated this proposed change with the GOV (MPI, MOF & SBV) and three project executing agencies/implementing agencies in November and December 2016.</p>
<p>The impacts of climate change at the scale relevant to these infrastructure projects are not adequately known or understood.</p> <p><i>The available data and available models make it very difficult to accurately predict climate change at the level of secondary cities, and the impacts it will have.</i></p>	<p>I - 2 P- 3</p>	<p>The impacts of climate change are known at a general level in the country level, and the best available models have been used in the preparation of this Project. Finally, there are many on-going activities to collect improved data and to improve measuring and modelling; this improved knowledge will be used as it becomes available.</p> <p>Also, the Project strategy focuses on ‘no regret’ and ‘low regret’ options, i.e. interventions that increase resilience to climate change and have other benefits.</p>
Risks specific to Outcomes not being achieved		
<p>Output 1: GCAPs are not integrated with other city level plans.</p> <p><i>The GCAPs are somewhat innovative, and as of yet are not formally included in the national planning framework. This may</i></p>	<p>I - 2 P- 2</p>	<p>The existing GCAPs – for Ha Giang, Hue and Vinh Yen, were approved by the concerned Peoples Committees.</p> <p>Integration of GCAP into planning process has been made a target of the GEF support, so this risk will be addressed head on, with awareness raising, policy dialogue, national level advocacy, etc.</p>

³ Range 1-5, where 5 is highest.

<i>lead to the GCAP's being implemented, but not institutionalized thereafter.</i>		Importantly, the broad participatory process should ensure that all concerned stakeholders are engaged, and so willing to support this integration process, when necessary.
Output 1: Cities are unable to meet gender targets. <i>The baseline loan has set ambitious targets for gender, in particular in the women involved in project implementation. This can be challenging at secondary city level in Viet Nam.</i>	I - 1 P- 3	Whereas one or two cities may be challenged to meet the targets, the others should be able to meet them comfortably. Hence this is likely to be a risk at only one, or two, cities. The GAPS address this issue, providing both incentives and support to meeting the targets. ADB will closely monitor this situation and provide support and guidance when necessary.
Output 1: Recommendations are not applied to loan sub-projects. <i>Output 1.1.1 will lead to recommendations to improve the sub-projects, but the local authorities are not obliged to incorporate these.</i>	I - 2 P- 3	The loan procurement process should ensure that the city level project implementation units have good 'ownership' over Output 1.1.1 and the related recommendations, and should treat the advice with due respect. Further, the ADB can ensure that the recommendations are based on <i>both</i> best international practices <i>and</i> sensitivity to Vietnamese circumstances – this should ensure that the recommendations are both pertinent and realistic.
Output 3: Insufficient impact into the national policies/ legislations to achieve sustainability. <i>Ultimately, to be sustained, changes will be necessary in terms of policy and legislation, this takes time in any country, and there is no guarantee it will be successful.</i>	I - 2 P- 3	This risk will be addressed head on with training, assessments, awareness raising, policy dialogue, national level advocacy, expert advisories, etc. Further, MONRE has committed to this project and its objectives and is committed to reaching this sustainability. ADB will work closely with MONRE to identify and implement the best pathways to achieving the policy and legislative requirements.

E. Overall Rating of the Project:

Overall Rating: The project is rated Medium Risk due to delayed implementation

F. Additional Comments – Good Practices and Lessons Learned:

Approval of project and institutional arrangement will take time, and this caused delays in project start up.

G. Knowledge Management:

The ADB is committed to ensuring that all knowledge generated by the project and all lessons learnt will be disseminated in an appropriate manner, through the ADB networks and partner organizations. The Project is also linked into several knowledge management mechanism and tools. First, as an SCIAP child project, it is supported by the GPSC. GPSC supports knowledge capture and knowledge exchange, both amongst the SCIAP participating cities, and with external initiatives and cites. The proposed Project will be actively involved with the overall SCIAP, sharing knowledge on a regular basis through GPSC, and constantly learning from GPSC through its involvement in GPSC networks and learning events.

The Project also takes place within the broader ADB Green Cities Initiative. Through this network, the Project will share lessons and knowledge with cities across Asia. The ADB's knowledge management resources support the urban development specialists and community practice members to collect data, learn lessons, and prepare documentation and publications.

The Project is also co-financed by the Urban Climate Change Resilience Trust Fund (UCCRTF), making UCCRTF a key partner. UCCRTF builds resilience to the effects of climate variability and climate change within medium-sized cities in Asia, particularly working with the urban vulnerable and poor. It promotes a systems-centered approach that supports making climate change a central element of city planning. This is linked to the implementation of infrastructure and policy or institutional interventions, as well as strong knowledge, capacity building, and networking components. Managed within the ADB, the UCCRTF has mechanisms for capturing and sharing knowledge.

Within Viet Nam, the proposed Project will benefit from the active involvement of the MONRE and the MPI to ensure lessons are captured and knowledge shared. Notably, an active involvement is planned for the Institute of Strategy and Policy for Natural Resources and Environment (ISPONRE). ISPONRE will ensure that knowledge is shared through the appropriate Vietnamese channels.

Specifically, with regards to adaptation to climate change, ADB has been actively involved for nearly two decades in efforts to manage the risks associated with climate change on the region's development. In 2010, ADB launched its climate change strategy – Addressing Climate Change in Asia and the Pacific: Priorities for Action. This emphasized the integration of adaptation and disaster risk reduction into national development plans; the building of climate resilience of vulnerable sectors; the climate-proofing of projects; and prioritizing the adaptation needs of the most vulnerable, including women. Since 2012, ADB has been programing projects with adaptation elements amounting to approximately \$1 billion per year. As a result of all this ground work, ADB has strong technical units responsible for collecting data, learning lessons and sharing knowledge notably through web events, conferences and publications. This includes close coordination with the Asia-Pacific Adaptation Network and Forum.

H. Location Data: N/A

Name	Country	Feature Class	Latitude	Longitude
Hue Imperial City	Viet Nam, Thua Thien Hue	Monument	N 16° 28' 31"	N 16° 28' 31"
Ha Giang City	Viet Nam, Ha Giang	City	22.86	104.98
Vinh Yen City	Viet Nam, Vinh Phuc	City	21.31	105.5967

Source: www.geonames.org

For Projects that have conducted Midterm Review Mission and Project Completion Mission (from 1 July 2018 to 30 June 2019)
Materialized Cofinancing

Co-financing Table

(For projects which underwent a mid-term review/evaluation or terminal evaluation in FY)

Materialized Co-financing

[Please refer to the PIF template on the GEF webpage]

Sources of Co-financing ⁴	Name of Co-financer	Type of Co-financing ⁵	Amount Confirmed at CEO endorsement / approval	Actual Amount Materialized at Midterm	Actual Amount Materialized at Closing
ID6924					
Recipient Government	GOV of Viet Nam	Grants	15,797,100		
GEF Agency	ADB (loan)	Loans	56,100,000		
	ADB (UCCRTF)	Loans	6,000,000		
		TOTAL	77.897.100		
ID9484					
Recipient Government	GOV of Viet Nam	Grants	32,072,900		
GEF Agency	ADB (loan)	Loans	113,900,000		
GEF Agency	ADB (CDTA)	Grants	32,072,900		
		TOTAL	148,472,900		

Explain "Other Sources of Co-financing": _____

Reminder: Kindly include in your submission a copy of the following:

1. For projects that conducted **Midterm Review Mission**: Copy of the MOU Midterm Review Mission; BTOR and Updated Tracking Tools

⁴ Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Other

⁵ Type of Co-financing may include: Grant, Soft Loan, Hard Loan, Guarantee, In-Kind, Other

2. For projects that conducted **Project Completion Mission**: Copy of the PCR, Copy of the MOU Midterm Review Mission; and Updated Tracking Tools



Signature:
Name of Project Officer:
Position:
Date:

Endorsed by:
Division Director

Annex 1: DEFINITION OF RATINGS

Implementation Progress Ratings

Highly Satisfactory (HS): Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.

Satisfactory (S): Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that is subject to remedial action.

Moderately Satisfactory (MS): Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.

Moderately Unsatisfactory (MU): Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action..

Unsatisfactory (U): Implementation of **most** components is not in substantial compliance with the original/formally revised plan.

Highly Unsatisfactory (HU): Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Global Environment Objective/Development Objective Ratings

Highly Satisfactory (HS): Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.

Satisfactory (S): Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

Moderately Satisfactory (MS): Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.

Moderately Unsatisfactory (MU): Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.

Unsatisfactory (U): Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

Highly Unsatisfactory (HU): The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

Risk Rating

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

High Risk (H): There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

Substantial Risk (S): There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

Modest Risk (M): There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.

Low Risk (L): There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.