



PROJECT IDENTIFICATION FORM (PIF).

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: Special Climate Change Fund

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PART I: PROJECT INFORMATION

Project Title:	Promoting Climate Resilience in Viet Nam Cities		
Country(ies):	Viet Nam	GEF Project ID: ¹	6924
GEF Agency(ies):	AsDB (select) (select)	GEF Agency Project ID:	47274
Other Executing Partner(s):	Ministry of Natural Resources and Environment	Submission Date:	2014-08-20
GEF Focal Area(s):	Climate Change	Project Duration (Months)	60
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of parent program:	[if applicable]	Agency Fee (\$)	433,790

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
(select) CCA-1 (select)	SCCF-A	3,200,000	108,000,000
(select) CCA-2 (select)	SCCF-A	1,366,210	16,000,000
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
Total Project Cost		4,566,210	124,000,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: To promote Climate Resilience in Viet Nam Cities by identifying and implementing adaptation measures and interventions to reduce vulnerability of urban sector to climate change impacts.					
Project Component	Financing Type ³	Project Outcomes	Trust Fund	(in \$)	
				GEF Project Financing	Co-financing
1. Development of criteria and incentives for sustainable climate resilient cities	TA	1.1 Increased awareness and understanding of climate change risks and opportunities facing cities in Viet Nam 1.2 Increased investment in climate change adaptation in Viet Nam	SCCF-A	750,000	10,000,000
2. Strengthening climate resilience capacity in the urban management sector	TA	2.1 Strengthened strategic policy framework for urban environmental management and long-term climate change adaptation in Viet Nam 2.2 Mainstreamed climate change and environmental considerations into urban management in Viet Nam 2.3 Enhanced capacity and competence for implementing, monitoring and further developing the policy framework	SCCF-A	620,000	6,000,000
3. Building climate resilience in target cities	TA	3.1 Enhanced climate resilience in participating cities	SCCF-A	2,996,210	108,000,000
	(select)		(select)		

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the GEF Website, [Focal Area Results Framework](#) which is an Excerpt from [GEF-6 Programming Directions](#).

³ Financing type can be either investment or technical assistance.

	(select)		(select)		
	(select)		(select)		
	(select)		(select)		
	(select)		(select)		
	(select)		(select)		
	(select)		(select)		
	(select)		(select)		
Subtotal				4,366,210	124,000,000
Project Management Cost (PMC) ⁴			SCCF-A	200,000	
Total Project Cost				4,566,210	124,000,000

If Multi-Trust Fund project :PMC in this table should be the total and enter trust fund PMC breakdown here ()

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
GEF Agency	Asian Development Bank	Loans	120,000,000
GEF Agency	Asian Development Bank	Grants	4,000,000
Recipient Government	Government of Viet Nam	In-kind	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			124,000,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{A)}

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
AsDB	SCCF-A	VietNam	Climate Change	(select as applicable)	4,566,210	433,790	5,000,000
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total GEF Resources					4,566,210	433,790	5,000,000

a) No need to fill this table if it is a single agency, single trust fund, single focal area and single country project

b) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG) ⁵

Is Project Preparation Grant requested? Yes ☐ No ☐ If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

Project Preparation Grant amount requested: \$136,986					PPG Agency Fee: 13,014		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
AsDB	SCCF-A	VietNam	Climate Change	(select as applicable)	136,986	13,014	150,000
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total PPG Amount					136,986	0	150,000

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

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	<i>ha</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>ha</i>
3. Promotion of collective management of transboundary 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 _{2e} mitigated (include both direct and indirect)	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)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
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:

PART II: PROJECT JUSTIFICATION

Project Overview

A.1. Project Description. Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project, 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing; 5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

1) THE GLOBAL ENVIRONMENTAL PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED;

Viet Nam is at a pivotal point in the development of its cities. Urbanization is rapid and accelerating and predicted to increase from the 30% of population currently living in urban areas to approach 45% by 2030. The challenges of growth and urbanization in the country become much more compelling because Viet Nam's cities are identified as among the most vulnerable in the world to the impacts of climate change. Many of these cities are in low-lying coastal delta plains and are highly exposed to sea-level rise and storm-surges. For example, vulnerability assessments done for the Mekong Delta have shown that a sea-level rise of 1 m would inundate 40% of the Mekong Delta area, 11% of the Red River Delta and 3% of coastal provinces (over 20% of Ho Chi Minh City flooded) with

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and/or SCCF.

10-12% of Viet Nam's population directly impacted and a loss of 10% of GDP. Coastal cities such as Hue, Thai Binh, Soc Trang, Vi Thanh, and Ben Tre, among many others are also critically vulnerable to the additional impacts from riverine flooding driven by the predicted increased intensity of extreme rainfall events. Mountain cities are also highly vulnerable to extreme rainfall events.

The National Strategy on Climate Change (NSCC) stresses that climate impacts on Viet Nam are serious threats to poverty reduction, the realization of development goals, and the country's sustainable development. There is a range of potential adaptation measures identified in the NSCC and the National Action Plan on Climate Change (NAPCC) (2012-20) specifically targeted at reducing the vulnerability and enhancing the resilience of urban centers. An urban focus for implementation of the NAPCC was recently provided by the National Scheme of Responding to Climate Change and Urban Development for the Period 2013-2020 (2013) that included a comprehensive suite of concrete policy measures and implementation support modalities.

The Government of Viet Nam (GoV) has also taken a proactive approach to addressing the urbanization challenge. GoV adopted a strong supportive policy and planning environment for sustainable urban development embodied in the National Green Growth Strategy (2012). The Strategy sets out a pathway to achieve a low carbon economy and to enrich natural capital and includes a Sustainable Urbanization sub-strategy. Importantly, the Strategy includes monitoring progress through the Asia Green Cities Index and a target to achieve above-average ratings.

2) THE BASELINE SCENARIO AND ANY ASSOCIATED BASELINE PROJECTS;

This SCCF project will build on the ongoing work by the Ministry of Natural Resources and Environment (MONRE), the Ministry of Construction (MoC), other GoV agencies and city administrations in association with development partners (including, but not limited to, ADB, World Bank, EU, GIZ, USAID, Australia, UN-Habitat, UNDP and NGOs including but not limited to, the Rockefeller Foundation, ICLEI, Red Cross, CARE, Oxfam, Save the Children) to: raise awareness and capacity in climate resilience; develop a framework and indicators for sustainable and climate resilient cities in Viet Nam; and implement appropriate adaptation measures. In particular, the Asian Development Bank (ADB) is working with Viet Nam on several key projects that support sustainable and resilient cities, especially through the ADB Green Cities initiative that provides an integrated framework that mirrors the GEF Sustainable Cities Integrated Approach (SCIA).

The ADB-funded project Secondary Cities Development Program (SCDP-Green Cities) (Hue, Vinh Yen and Ha Giang) (\$176 million) that is currently under preparation will be the baseline project for the GEF-funded activities. SCDP-Green Cities involves a mix of investments and capacity building to support sustainable urbanization. In addition, technical assistance made through the ADB Urban Climate Change Resilience Trust Fund (UCCRTF) component of the baseline project (\$6.0 million) will develop Decision Support Systems (DSS) as key elements of institutional capacity building. The DSS components will include an Urban Simulation Model (USM) to provide future scenarios for integrated urban development and will present the various development options and projects; and an Urban Hydrological Model (UHM) to analyze the urban water system of the project cities and assess the climate change impacts and related vulnerabilities. The GEF-funded activities will be pilot tested in the SCDP-Green Cities target cities and scaled nationally through the development of innovative incentive mechanisms, as described below. The baseline SCDP-Green Cities program also takes an incentives-based approach through its Results-based Lending Modality.

3) THE PROPOSED ALTERNATIVE SCENARIO, WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT;

The proposed project, with support from the GEF SCCF, will seek to identify and implement measures to address vulnerability and enhance climate resilience of urban centers in Viet Nam. GEF SCCF support will help shape future urban development in Viet Nam along a more sustainable and climate resilient pathway through the development of sustainable cities indicators and guidelines, and integrated urban management systems and investments, which will be applied through demonstration cities. The GEF SCCF support will also enhance capacity and awareness of

practitioners and policy-makers in developing “model” sustainable and climate resilient cities. To achieve this, the Project will focus on three components:

1. Development of criteria and incentives for sustainable climate resilient cities. Outputs: (1) Framework of criteria, indicators, guidelines and tools developed for assessing climate vulnerability, resilience, adaptive capacity, preparedness and monitoring progress in the Viet Nam urban context, (2) Framework tested and refined in X pilot cities; and (3) Innovative incentive scheme established for adaptation financing to assist cities in meeting their sustainable climate resilience targets.

GoV is committed to strengthening capacity at all levels to build sustainable and climate resilient model cities in Viet Nam. The project will support the design and establishment of a framework of criteria, indicators, guidelines and tools for assessing the vulnerabilities of cities, identifying priority actions and monitoring progress toward climate resilience. This will build on the recently released National Sustainable Development Criteria developed by MONRE and associated national/international experience. The vulnerability-driven process will assist cities to identify and prioritize adaptation investments, assess adaptive capacity and assess readiness to respond. In particular, it will expand on currently available frameworks to include indicators of vulnerability, local readiness and capacity to address climate change adaptation issues, and potential responses and their feasibility under local conditions (including resilience through improved urban planning; maintenance-linked adaptation; and new investment). The aim is to create a practical tool to support urban managers in small-medium cities in their day-to-day decision making, and empower city managers to take the lead in addressing adaptation in their own city.

The framework of criteria, indicators, guidelines and tools will then be tested in pilot cities through Components 2 and 3. Piloting will be embedded within a networking, engagement, knowledge-sharing and learning model for broader engagement of urban managers nationwide. The scaling and national implementation of the framework will be achieved through the development of an Innovative Climate Change Incentive Mechanism (ICCIM). The incentive mechanism will recognize local leadership on climate change issues, and include a competitive financing mechanism for city governments to apply for adaptation financing to assist in meeting climate resilient criteria developed through the project. A suite of incentives will be developed to assist cities to apply to the ICCIM to ensure that differential capacity and adaptation readiness is explicitly addressed. The ICCIM will be developed to maximize private sector involvement by ensuring that applications catalyze private sector investments.

Through planned integration of the project with the SCIA, the harmonization of the criteria with global best practice will occur and, in turn, the development of global best practice through the SCIA process will be informed by experience in Viet Nam. Further, it is envisaged that adaptation initiatives will be the first ‘window’ for the ICCIM that will lay the groundwork for broadening the scope to include climate change adaptation and mitigation initiatives in cities, potentially developed under the integration of the project with the SCIA.

2. Strengthening climate resilience capacity in the urban management sector. Outputs: (1) Measures identified and implemented to address weaknesses, gaps and overlaps in the current climate change and urban management policy framework and planning practices. (2) Training materials developed and trainings conducted on climate risk management and integrating climate change concerns into long-term development of urban centers. Developing training materials to develop capacity. (3) Enhanced spatial planning measures to avoid climate change vulnerabilities. (4) Long-term requirements identified for climate change adaptation financing. (5) Knowledge sharing network established to support ongoing capacity building.

The project will work to systematically raise the capacity of urban managers to understand vulnerabilities of cities to climate change impacts and embed climate resilience into urban management systems in Viet Nam. This component will focus on cities with high levels of vulnerability, readiness and commitment to address climate vulnerability and its potential impacts. The initial focus will be on cities participating in the SCDP-Green Cities program and cities participating in the ICCIM established under Component 1. Activities will then be scaled up to other cities with less capacity to adapt through focused capacity building efforts through Component 1. This will be achieved through support for the wider application of guidelines and criteria for sustainable cities (Component 1) and knowledge-sharing on the lessons and experiences from practical on-ground resilience building measures implemented through

Component 3. Climate resilience capacity will be integrated into urban management through a suite of measures, including: strategic policy measures to enhance long-term adaptation; enhanced spatial planning measures to reduce climate change vulnerabilities; identification of adaptation financing requirements; support for the introduction of flexible and adaptive management and planning regimes, including strengthened climate risk management competence of regulators, decision makers and city managers through training and exposure to international best practice; and guidance on how to incorporate climate change concerns into long term re-development of urban centers.

3. Building climate resilience in target cities. Outputs: (1) High priority resilience building investment needs identified for cities participating in the program including those that encourage private sector participation (2) Targeted adaptation and climate resilience investing made in X cities.

Based on the climate change vulnerability, readiness and additional criteria developed through Component 1, cities will be selected for cost-effective targeted investments aimed at building climate resilience. Again, the initial focus will be on cities participating in the SCDP-Green Cities program and cities that have been successfully incentivized to participate in the ICCIM established under Component 1. This will complement and build on capacity building activities in Component 2. Selected resilience building measures will be implemented that have either been identified through the Green City Project's Green City Action Plans; through urban and hydrological modelling undertaken in the baseline project; or through the ICCIM process. The targeted investments will be selected through a participatory process of engaging with decision-makers at municipal, provincial and national levels linked with civil society and private sector stakeholders.

The proposed project specifically supports implementation of SCCF priorities for adaptation under the SCCF: Infrastructure development and (Urban) Land management theme. Also note that the project will be specifically designed to integrate with and learn from other GEF projects in Viet Nam and climate change initiatives underway or planned by key development partners (such as ADB, World Bank, GIZ, AUSAID, JICA) and NGOs.

The project is supported at the highest levels in Viet Nam. MONRE will be the executing agency for the project. Implementing agencies for the different components of the project will be selected based on their respective capacities, project roles and policy context. Subject to further discussion during Project Preparation, it is anticipated that MONRE will play a key role supported by members of the National Climate Change Committee (NCCC), including the Ministry of Construction and the city peoples committee of pilot cities. MONRE will provide technical advice and will coordinate closely with relevant government agencies in the implementation of the project.

4) INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, LDCF/SCCF AND CO- FINANCING;

The proposed GEF-funded activities will support expanding the sustainable and resilient cities concepts being developed under the baseline project and ADB Green Cities program into an integrated approach that can be replicated in small-medium cities and empower urban managers to better understand these issues and take leadership in developing local responses. The SCDP-Green Cities baseline project, through investments, capacity building and development of modelling tools, will provide a solid foundation on which the additional SCCF resources will build. Based on consultation undertaken in project preparation, it appears that urban managers in small-medium cities of Viet Nam are aware of climate change issues and resilience needs; know that they need to do something; but don't really know where to start. The GEF-funded activities will help them make that last step, by providing practical tools at an appropriate level of detail to support decision making and empower local leadership in responding to climate resilience challenges. Without this project there will be continued challenges for urban managers in small and medium-sized cities to understand the climate change vulnerability in their own cities; tailor appropriate adaptation measures; and take leadership in developing local responses.

The SCCF funding will also help to extend adaptation activities to urban planning in cities in mountain regions of Viet Nam that have generally received less attention than cities in coastal and delta areas. In addition, the ICCIM will provide impetus to city/municipal managers to enhance their institutional capacity to identify, design and implement

adaptation and climate resilience measures that will improve public service delivery and enhance the well-being of their constituents.

GoV also recognizes that there is an opportunity to further build on its National Green Growth Strategy and associated climate change and urban management policies, by linking possible SCCF funding with participation in the new GEF Sustainable Cities Integrated Approach (SCIA) pilot. This creates an opportunity to link climate change adaptation and mitigation issues facing Viet Nam cities under an integrated response that leverages combined support from SCCF and SCIA. Viet Nam and ADB will be applying separately to participate in the SCIA pilot, but note this opportunity to establish an integrated program.

5) ADAPTATION BENEFITS (LDCF/SCCF);

Viet Nam's cities are identified as among the most vulnerable in the world to the impacts of climate change. The project will provide opportunities for Vietnamese cities to understand and reduce their climate change vulnerability through urban planning and management measures and targeted adaptation investments that seek to tackle the highest levels of climate change risk. In addition, climate resilience of urban systems, also leading to vulnerability reduction, will be enhanced for urban systems already constructed in at-risk locations. The project will take a holistic approach to achieving adaptation benefits of the project through the integration of climate risk management and adaptation actions in Viet Nam's urban management system at all levels: national, provincial and municipal.

Consequently, the adaptation benefits of the project will accrue through a range of linked mechanisms including: infrastructure damage costs avoided; reduced disruption to urban economies from climate-related hazards; and development-livelihood benefits accruing from reduced impacts on urban systems. An additional indirect adaptation benefit will be the impact of this project in empowering local urban managers to take leadership in addressing adaptation issues. This will strengthen local ownership and sustainability of adaptation initiatives, and facilitate replication in other small-medium cities in Viet Nam.

6) INNOVATIVENESS, SUSTAINABILITY AND POTENTIAL FOR SCALING UP.

Innovation is embedded into all aspects of the project as SCCF financing will be catalytic in enhancing urban climate resilience in Viet Nam. There are two core innovations. The first innovation is bringing ownership and leadership for adaptation and resilience building down to the local level to localize climate action. This includes the development of tools and guidelines that can be used at the city level to identify and assess vulnerabilities and piloting targeted local adaptation responses in prioritized cities. The second is the Innovative Climate Change Incentive Mechanism (ICCIM), which is understood to be the first of its kind in Viet Nam. The ICCIM will promote local leadership on climate change and adopt the performance-based approach under the baseline project, SCDP-Green Cities. The ICCIM will provide incentives and cross sector co-benefits that will encourage city managers to integrate adaptation and climate resilience measures in their urban planning and investment projects.

As noted above, empowering local officials and urban managers will strengthen local ownership and program sustainability, and facilitate replication and scaling-up. Sustainability and scale-up will be achieved in large part through the successful demonstration of climate-resilient measures that generates a wide range of benefits for cities and urban communities. By piloting climate-resilient approaches in cities, the project will attract considerable interest among municipalities, local governments, city developers, urban services providers, financiers and other stakeholders in Viet Nam and the broader region. In addition, cities in Viet Nam often face high costs or unavailability of financing due to perceived high risk and the absence of track records for similar investments. By piloting a financial mechanism to demonstrate that financing innovative, climate-resilient city models can yield benefits, national and international financial institutions will be encouraged to provide financing to support robust long-term investments in greater climate-resilient development in cities.

Sustainability and scaling-up elements will also be integrated into the operational design of the ICCIM through its linkage to the enhanced urban management policies and planning practices at municipal and provincial levels. Importantly, sustainability within GoV systems and processes will be ensured through assimilation of project

outcomes within the National Strategy on Climate Change (NSCC) (2012-20) and National Green Growth Strategy (2012).

Mechanisms supporting replication and scaling-up of climate-resilient approaches will be designed during the project preparation phase. These will include options for:

- (i) Physical scale-up of demonstration activities under Component 3 through links to national urban planning and infrastructure development programs, and donor supported initiatives;
- (ii) Knowledge dissemination and capacity building among local government, municipalities, regulators, financial institutions, and other stakeholders;
- (iii) Scale-up of financial resources available under the ICCIM through linkage to other climate change funding windows such as the multi-donor funded Support Program to Respond to Climate Change In Viet Nam;
- (iv) Scale-up through linkages with the national budget allocation systems and incentive mechanisms such as the Environmental Sustainable Cities Award system (currently under development);
- (v) Scale-up of a results-based model for urban resilience projects;
- (vi) Expanding the scope of ICCIM funding windows to support low-carbon/ climate change mitigation initiatives in Vietnam cities, potentially developed under the integration of the project with the GEF SCIA;
- (vii) Working with the Association of Cities of Viet Nam to engage broadly with small-medium cities in Viet Nam. Around 100 cities are currently members of the Association. Initial consultation has already occurred with the Association regarding suitable mechanisms for engaging with its members and scaling-up the project outcomes; and
- (viii) Scaling-up through ADB's partnership with Viet Nam in the urban sector through relevant ADB projects in the urban sector in Viet Nam.

In summary, the combination of local ownership; mainstreaming of climate resilience into urban planning and investment; incentives and strong central Government support provides a solid foundation for ensuring ongoing sustainability of GEF-funded initiatives.

A.2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes ☒ /no ☐) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:

1. Viet Nam national government and agencies. Under the umbrella of the NCCC and GEF Coordinating Committee, a coordinated engagement with GoV national agencies will be undertaken. Engagement is planned to include group roundtable discussions, small group discussion and bi-lateral consultations.

2. Ministry of Natural Resources and Environment (MONRE). MONRE is the project Executing Agency. MONRE has been directly involved in the preparation of this PIF, and will continue to have a direct role throughout the project implementation.

3. People's Provincial Committees. An engagement process that utilizes both the regional organisation of People's Provincial Committees and direct consultations will be undertaken. On initiation of Project Preparation, the timetable of pre-existing regional People's Provincial Committee meetings and other opportunities for engagement, will be developed.

4. Provincial and municipal government and agencies. An engagement with Provincial and municipal government and agencies will be coordinated with the People's Provincial Committee engagement. Engagement is planned to be supported by the Association of Cities of Viet Nam .

5. Local community (residents, workers, business owners). Extensive consultations with the community will be conducted during the baseline project and GEF project design process, and will continue in the project area during implementation.

A.3. Gender Considerations. Are gender considerations taken into account? (yes ☐ /no ☐). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

Gender considerations will be taken into account during project preparation consistent with ADB's Guidelines on Gender Mainstreaming Categories of ADB Projects. The project will follow the effective gender mainstreaming classification consistent with the Green Cities project. A social development and gender expert will be hired during project preparation to conduct gender analysis and formulate gender actions as part of the overall program action plan of the Green Cities Project to mainstream gender and ensure women's access to project benefits. These include ensuring quality of women's representation and participation in decision-making processes and project activities. The project preparation will also explore potential for skills upgrading and/or capacity development and employment opportunities that will be generated by the project.

A.4 Risk. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):

Major risks and mitigation measures are summarized in the following Table. Overall, it is considered that the risks can be mitigated to a manageable level to deliver the intended benefits of the project.

1. Lack of sustained commitment to reforms to promote climate resilience: Low Risk - 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.
2. Lack of coordination with other climate change adaptation projects and initiatives: Low Risk - 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.
3. Lack of Coordination between and among relevant Agencies: Low Risk - 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.
4. Low institutional capacity (technical, financial, environmental management): Medium Risk- Technical Assistance (TA) will be provided under the baseline project for specialist assistance to participating cities
5. Lack of qualified and available local staff for project implementation: Medium Risk- Mitigated by development of a staff recruiting strategy during project preparation. With many climate change related projects underway in Viet Nam, there is a growing pool of suitably-qualified local staff available.
6. Delayed start of baseline project implementation: Low Risk- Close consultation between GoV and ADB regarding baseline project approvals preparation.

A.5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives:

The NCCC and established development partner coordination mechanisms in Viet Nam will be used to ensure harmonization of the project with other climate change adaptation projects and urban development activities. Importantly, the project will be able to be rapidly mobilized by building on the lessons from ADB's First Secondary Cities Development Project and the SCCF project Promoting Climate Resilient Infrastructure in Northern Mountain Provinces of Viet Nam (ADB/UNDP - GEF ID: 3103).

As noted above, there is an opportunity to link possible SCCF funding with participation in the new GEF Sustainable Cities Integrated Approach (SCIA) pilot. This creates an opportunity to coordinate climate change adaptation and

mitigation issues facing Viet Nam cities under an integrated response that leverages combined support from SCCF and SCIA. Viet Nam and ADB will apply separately to participate in the SCIA pilot, and if successful, will coordinate SCCF and SCIA activities under an integrated program.

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes ☒ /no ☐). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.:

The SCCF Project will support implementation of, and is guided by, the key national policies/plans and assessments. In particular, this project aligns closely with the Viet Nam National Strategy on Climate Change (NSCC), which stresses that climate impacts on Viet Nam are serious threats to poverty reduction, the realization of development goals, and the country's sustainable development. There is a range of potential adaptation measures identified in the NSCC and the National Action Plan on Climate Change (NAPCC) (2012-20) specifically targeted at reducing the vulnerability and enhancing the resilience of urban centers. This SCCF project also contributes to the following Specific Objectives of the National Target Programme to Respond to Climate Change (NTP): (a) to assess climate change impacts on every sector and locality; (b) to identify measures to respond to climate change; (e) to enhance public awareness, responsibility and participation; and, (g) to mainstream climate change issues into socio-economic, sectoral and local development strategies and plans. In addition, the project will contribute directly to item 22 of the NTP List of Tasks and Projects which involves "measures to adjust technical infrastructure planning, urban areas according to climate change scenarios; study and propose additional contents in construction criteria, norms, technical directions to respond to climate change; and implement pilot projects". These are further operationalized in the national Viet Nam "Green Growth Strategy" (adopted 2012), which sets out a pathway to achieve a low carbon economy and to enrich natural capital.

The project also aligns strongly with Viet Nam's Second National Communication to the UNFCCC (SNC) of 2010, which highlights the vulnerability of urban systems throughout the country stressing the critical drivers of impacts in mountainous regions, in river flood plains and in coastal zones. The SNC includes specific urban adaptation measures to "strengthen residential planning, taking into account natural disasters impacts for vulnerable areas such as coastal zones, steep hills and mountains and fluvial low-lying areas (p.88)". Importantly, the project will align to the Framework Master Plan for Urban Development in Viet Nam to 2025 and Vision to 2050 (Ministry of Construction, 2009). The Master Plan sets out a long-term phased approach to urban development with an initial focus on comprehensive economic zones to facilitate economic growth followed by a phase from 2015 to 2025 to enhance urbanized areas including through infilling, raising the density of existing urban areas, development of the urban fringes of large cities and the development of satellite cities.

B.2 GEF FOCAL AREA AND/OR FUND(S) STRATEGIES, ELIGIBILITY CRITERIA AND PRIORITIES:

The proposed GEF/SCCF project is country-driven, cost-effective, and will integrate climate change risk considerations into urban infrastructure development projects and programs. The project's focus on safeguarding Viet Nam's urban infrastructure against future climate risk, by pursuing a range of adaptation measures in infrastructure resilience building, policy development and institutional strengthening, is directly aligned with the scope of SCCF expected interventions, as articulated in SCCF guidelines. As climate impacts fall disproportionately on the poor, the project also explicitly recognizes the link between adaptation and poverty reduction through ensuring that urban infrastructure contains heightened climate-resiliency supporting income generation (GEF/C.28/18, 1(b), 29).

In addition, the project focuses strongly on systematic support for mainstreaming, aligning directly to GEF's support for the programmatic and thematic approach to SCCF adaptation financing. The GEF Draft Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and Special Climate Change Fund (GEF/LDCF.SCC.15/Inf.02) (October 2013), identifies three Strategic Programming Pillars, namely: (i) mainstreaming adaptation across core development sectors; (ii) preparing the ground for long-term adaptation; and (iii) expanding synergies with other GEF focal areas. Critically, all three of these Strategic Programming Pillars are

met by this proposal. Of the 10 LDCF/SCCF Thematic Programming Priorities, based on the aforementioned Pillars, the Thematic Priority four (4) and nine (9) are the core focus of this proposal, namely: infrastructure, including transport and energy; and climate-resilient urban systems. Additional benefits of the project will also be realized in the following Thematic Priorities through the proposed integration of adaptation into Viet Nam's urban management systems, including (depending on the city's location and its identification of its own adaptation priorities): water resources management; coastal zone management; disaster risk management; natural resources management; and health.

Importantly, the project recognizes that cities have been identified by the GEF as one of the principle operational spaces for enhanced synergies among climate change adaptation and other GEF focal areas. As such, this SCCF proposal aligns with and will be supplemented by a proposal to the GEF Sustainable Cities Integrated Approach (SCIA) pilot.

B.3 THE GEF AGENCY'S COMPARATIVE ADVANTAGE FOR IMPLEMENTING THIS PROJECT

ADB has been actively involved for nearly two decades in efforts to manage the risks associated with climate change impact on the region's development. ADB has identified environmentally sustainable growth, including climate change, as a top development concern and has made this a core area for ADB operations under its long-term strategic framework "Strategy 2020." In May 2010, ADB launched its climate change strategy – Addressing Climate Change in Asia and the Pacific: Priorities for Action – emphasizing the integration of adaptation and disaster risk reduction into national development plans; building climate resilience of vulnerable sectors; climate-proofing of projects; and prioritizing the adaptation needs of the most vulnerable, including women. In 2012 and 2013 the ADB programed projects with adaptation elements amounting to approximately \$1 billion per year.

ADB is also a leader in advocating and implementing the Green Cities approach. The ADB report "Green Cities" (edited by Michael Lindfield and Florian Steinberg, 2012) is a landmark document in the field. ADB's Green Cities initiative provides an integrated framework for its activities in urban development, and aligns closely with the objectives of the GEF Sustainable Cities Integrated Approach.

In addition, ADB has a long track record of working in Viet Nam to support the country's development goals through the three pillars of inclusive growth, enhanced economic efficiency, and environmental sustainability. ADB has supported Viet Nam with more than \$2 billion in loans and \$155 million in grants from 2012 to 2013 through 20 projects. In particular, ADB is already working with Viet Nam in the urban sector with projects including the Secondary Cities Development Program - Green Cities (the baseline project described above); another Secondary Cities Development Project which is under implementation; and an Urban Environment and Climate Change Adaptation also commencing implementation. The combination of local knowledge, backed by expertise and experience in applying climate change and Green Cities concepts to urban development, provides ADB with a comparative advantage for implementing this project.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT⁸ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (PLEASE ATTACH THE [OPERATIONAL FOCAL POINT ENDORSEMENT LETTER\(S\)](#) WITH THIS TEMPLATE. FOR SGP, USE THIS [SGP OFP ENDORSEMENT LETTER](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Dr Nam Thang	Deputy Director General, Department of International Cooperation	MINISTRY OF NATURAL RESOURCES AND	07/08/2014

⁸ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

		ENVIRONMENT	

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies⁹ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Nessim Ahmad Director, Environment and Safeguards concurrently Practice Leader (Environment) Asian Development Bank		08/20/2014	Sonia Chand Sandhu, Senior Environment Specialist, South East Asia Regional Department	+632 632 5194	ssandhu@adb.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required **GEF Project Agency Certification of Ceiling Information Template** to be attached as an annex to the PIF.

⁹ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF