

COFINANCING AGREEMENT ("AGREEMENT")

BETWEEN

**NORDIC DEVELOPMENT FUND
AND
ASIAN DEVELOPMENT BANK**

**WITH RESPECT TO
TECHNICAL ASSISTANCE ON**

**INNOVATIVE AND CLIMATE AND DISASTER RESILIENT HOUSING
IN THE MEKONG DELTA
under the**

SUSTAINABLE AND RESILIENT URBAN DEVELOPMENT IN VIET NAM (GREEN CITIES)

NDF GRANT NO. C67

The Nordic Development Fund (the "Donor") will provide an untied grant contribution (the "Grant") through Asian Development Bank ("ADB") amounting to €500,000 to support a proposed capacity development technical assistance for Sustainable and Resilient Urban Development in Viet Nam (Green Cities) (the "TA") as set out in the approved ADB Technical Assistance Concept Paper (the "Approved TA Concept Paper") attached hereto as Annex A, subject to the replacement of the Approved TA Concept Paper with the final approved technical assistance report for the TA in accordance with paragraph 2 below.

Therefore, the Donor and ADB (the "Parties") agree as follows:

Transfer and Management of Funds

1. Within two weeks of signing of this Agreement or ADB's approval of the TA, whichever is later, the Donor shall upon ADB's written request transfer the proceeds of the Grant to a United States dollar denominated account specified below ("Donor Account"). The proceeds of the Grant will be converted by ADB's depository bank upon receipt into United States Dollars at the exchange rate prevailing on the day of the conversion:

Donor Account

Name of the Bank:	Bank of America NA New York, USA
Address:	222 Broadway, New York City, NY 10038-2510 U.S.A.
Account Name:	ADB-Nordic Development Fund
Account Number:	6550596388
Type/Currency:	US Dollar
SWIFT/BIC:	BOFAUS3N
ABA No:	026009593

2. Upon the ADB Board's approval of the ADB Technical Assistance Report for the TA (the "Approved TA Report"), the Donor and ADB hereby agree and acknowledge that the Approved TA Report will supersede and replace the Approved TA Concept Paper for purposes of Annex A to this Agreement, and all references to Annex A in this Agreement will be a reference to the Approved TA Report.

3. The Grant shall be used solely for the purposes set out in Annex A, unless otherwise agreed in writing with Donor. Prior to disbursement and subject to provisions of Paragraph 5, ADB shall hold the Grant funds within the Donor Account. If other currencies are required for payment to meet any eligible expenditure, ADB may purchase the required currencies with the proceeds of the Donor Account. Any fees and charges relating to such purchase shall be paid out of funds from the Donor Account.

4. The adverse impacts of potential foreign currency fluctuations during TA implementation shall be addressed among the Parties with appropriate remedial measures and amendments negotiated, if necessary. Notwithstanding, the foregoing, there is no obligation on behalf of the Donor to contribute additional funds as a result of any foreign currency fluctuations.

5. For the purposes of this Agreement, the Grant shall be held, administered and invested at the discretion of ADB. Pending disbursements, ADB may invest and reinvest the Grant and any income earned in respect of such investment and reinvestment, as well as any interest earned in respect of the Donor Account in accordance with ADB's policies and guidelines concerning the investment of funds. Such income shall be credited to the Donor Account and used for the purpose of the TA and/or defray the costs of administration and other expenses incurred by ADB with respect to the administration of the Grant.

Implementation and Administration

6. The activities to be financed under this Agreement, attached hereto as Annex A, are expected to be implemented from October 2015 to December 2018 and shall be administered in accordance with applicable ADB policies and procedures. ADB shall make every effort to ensure timely and full implementation of the TA. ADB shall inform the Donor in writing of any changes in the expected implementation period.

7. Procurement of all goods and services financed under the Grant shall be carried out in accordance with ADB's *Procurement Guidelines* dated April 2015, as amended from time to time. The selection and engagement of consultants financed under the Grant shall be carried out in accordance with ADB's *Guidelines on the Use of Consultants by ADB and its Borrowers*, dated March 2013, as amended from time to time.

8. The Parties agree that the Grant proceeds for the purpose of the TA shall be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook*, dated May 2010, as amended from time to time. In the event this TA is also cofinanced by other sources, including ADB's own funds, ADB may, in consultation with the Donor, use its discretion in determining which funding source should be utilized first provided the total disbursements against this Grant is consistent with the cost sharing in the financing plan in Annex A.

9. ADB shall administer and account for the Grant in accordance with its financial regulations, other applicable rules, procedures and practices, and keep separate records and accounts for the TA.

10. ADB will be entitled to withdraw from the Donor Account an amount equivalent to five (5) percent of the disbursed Grant, in order to cover the costs incurred by ADB in the administration of the Grant.

11. Within six (6) months after financial closure of the TA, except as may be otherwise agreed by the Parties, any balance amount from the Donor Account shall be returned to the Donor together with any investment/reinvestment income and interest income earned on the deposit from the Donor Account, and any gains from foreign transactions, net of all fees and charges and foreign exchange losses.

Reviews, Reporting and Audits

12. ADB shall inform the Donor of any review missions undertaken by it related to the Grant and provide to the Donor a report setting out the main findings or results of such mission. ADB shall invite the Donor to join any TA review missions, including supervision missions and the mid-term review during the implementation of the TA and upon its completion. The Donor shall be responsible for its own costs with respect to any participation in TA review missions.

13. ADB shall, in accordance with its usual procedures:

Progress Reports:

- (i) provide the Donor with semi-annual reports on implementation of the activities funded under the Grant and other reports and information as the Donor may reasonably request concerning the progress of the TA. Within six (6) months from completion of the TA, ADB shall provide the Donor with a final report.

Financial Statements:

- (ii) provide the Donor with unaudited semi-annual statements of expenditure stated in US dollars within three (3) months from the end of June and December. In addition, ADB shall provide the Donor within six (6) months from financial closure of the TA, terminal financial statements showing the receipts, income and expenditures under the Donor Account and the remaining balance, if any.

Audit Reports:

- (iii) should the Donor require an external audit of the terminal financial statements specifically in relation to the Grant, the Donor should upon completion of the TA, request ADB for such an external audit in writing. The financial statements will be audited by ADB's external auditor. The cost of this audit, shall be charged against the Donor Account. The Donor shall provide additional funds in the Donor Account to cover the cost of this audit, should there not be sufficient funds left after settlement of all project expenditures and ADB administration cost.

14. ADB shall inform the Donor promptly of any condition which:

- i) may cause significant delay in the implementation of the Project;

- ii) significantly interferes, or threatens to interfere, with the performance by ADB of its commitments under this Agreement; and
- iii) otherwise may significantly affect the implementation or impacts of the Project.

Special Provisions

15. ADB and NDF agree that the Grant will be subject to ADB's Anticorruption Policy (1998, as amended to date). ADB's Anticorruption Policy requires ADB staff to adhere to the highest standards of ethical conduct and ensure the integrity of ADB operations within their respective area of responsibility. ADB's Anticorruption Policy also requires the recipient(s) of the Grant, beneficiaries, consultants, bidders, suppliers and contractors to observe the highest standards of ethics during the procurement and execution of contracts financed by or related to the Grant.

16. Violations of ADB's Anticorruption Policy will be investigated by ADB in accordance with its Integrity Principles and Guidelines (2015, as amended from time to time). In accordance with ADB's Integrity Principles and Guidelines, any party found in breach of ADB's Anticorruption Policy may be subject to sanctions and any legal entity or individual debarred or temporarily suspended shall be ineligible to participate in activities financed by or related to the Grant.

17. ADB, in consultation with the Donor, may disclose this Agreement and information with respect to it in accordance with ADB's *Public Communication Policy* dated October 2011, as amended from time to time.

18. The Donor, in consultation with ADB, may disclose this Agreement and information with respect to it in accordance with the Donor's policy and legislative obligations.

Consultations, Amendments, Termination and Dispute Settlement

19. The Parties may consult with each other on any matter of common interest arising out of this Agreement.

20. The Donor and ADB shall consult each other, in particular whenever either proposes to:

- (i) modify the Agreement; or
- (ii) suspend or terminate, in whole or in part, disbursement under this Agreement.

21. Any amendments and/or modifications to this Agreement shall be made by mutual consent and in writing in the form of an exchange of letters between the Parties.

22. ADB shall notify the Donor whenever ADB identifies a change of scope and shall consult with the Donor whenever ADB identifies a major change in scope, in each case, in relation to any activities financed under the Grant. If any such changes occur which in the opinion of the Donor impairs significantly the developmental value of the TA, the Parties shall consult on measures to resolve the problem and possible courses of action; in such cases, the Donor, however, may decide to modify and/or terminate its financial contribution to the TA.

23. The Parties shall seek amicably to settle any differences and disputes arising out of or in connection with the implementation of this Agreement. Any dispute, disagreement or claim that cannot be amicably settled between the Parties shall be finally settled by arbitration under the

Rules of Conciliation and Arbitration of the UNCITRAL by one or more arbitrators appointed in accordance with the said Rules. The resulting arbitration award shall be final and binding on the Parties and shall be in lieu of any other remedy. This Agreement shall be governed by general principles of law, to the exclusion of any single national system of law.

24. (a) If at any time either Party determines that the purposes of the Agreement can no longer be effectively or appropriately carried out either Party may give notice of termination of this Agreement. Such termination shall enter into effect three (3) months after notice has been received, subject to the settlement of any outstanding obligations made prior to the notice being received. In the event of termination by either Party, both Parties shall cooperate to ensure that all arrangements made hereunder are settled in a fair and orderly manner.

(b) If the ADB Board of Directors does not approve the TA by 30 November 2015, this Agreement will terminate automatically effective the next succeeding business day, and the Parties will have no further obligations under this Agreement, subject to the settlement of any outstanding obligations made prior to the effective date of such termination.

Contacts

25. Correspondence relating to the implementation of this Agreement shall be addressed to the following:

- (a) For NORDIC DEVELOPMENT FUND:
 Attn: Martina Jägerhorn, Country Program Manager
 P. O. Box 185, Fabianinkatu 34
 FI-00171 Helsinki, Finland
 Tel. No. +358 10 618 002
 Fax No. +358 9 622 1491
- (b) For ADB:
 Asian Development Bank
 6 ADB Avenue
 Mandaluyong City
 1550 Manila, Philippines
- (i) General communication and financial matters:
 Facsimile Number: (632) 636-2456 (Direct)
 (632) 636-2444 (Central)
 Attention: Head
 Office of Cofinancing Operations
- (ii) Implementation and technical matters:
 Facsimile Number: (632) 636-2228 (Direct)
 Attention: Ms. Tatiana Gallego-Lizon
 Director, Urban Development and Water Division
 Southeast Asia Department

Effectiveness

26. This Agreement shall take effect upon its signature by both Parties, and shall remain in full force and effect until (a) the date on which the Grant shall have been fully disbursed or all activities financed under the Grant shall have been completed to the satisfaction of ADB and the Donor, whichever is the later, or any other date as may be agreed between the Parties or (b) upon the early termination of this Agreement in accordance with Section 24..

27. The Parties, acting through their duly authorized representatives have signed this Agreement in duplicate as follows:

Signed:

FOR NORDIC DEVELOPMENT FUND:

FOR ASIAN DEVELOPMENT BANK:

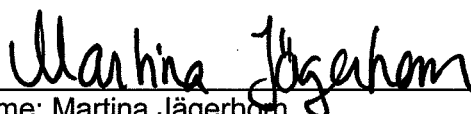



Name: Pasi Hellman
Title: Managing Director

Name: Rune Stroem
Title: Head
Office of Cofinancing Operations

Date: 10 Sep 2015

Date: 10 September 2015



Name: Martina Jägerhorn
Title: Country Program Manager

Date: 10 September 2015

ATTACHMENT:

Annex A: Approved TA Concept Paper (to be superseded by and replaced with the Approved TA Report, if received, in accordance with paragraph 2)

**Sustainable and Resilient Urban Development in Viet Nam (Green Cities)
Technical Assistance Concept Paper**

Date: 5 August 2015

1. Country partnership strategy (CPS) / Regional cooperation strategy (RCS): COBP 2014-2016 included as "Sustainable Urban Development in Viet Nam: Green Cities"	
<ul style="list-style-type: none"> • Year included in CPS/RCS/COBP/RCOBP/CPS or RCS midterm review report: 2014 • Document reference number and date approved: N/A 	
<ul style="list-style-type: none"> • In case of change in the TA title, type, or amount, please state reason: The TA supplementary focus on urban climate change resilience is reflected in the title. The TA amount is increased to match the higher contribution of United States Agency for International Development (USAID) Country Program from \$1 million to \$1.96 million. 	
2. TA Type	3. Cluster:
<input checked="" type="checkbox"/> CDTA <input type="checkbox"/> R-CDTA <input type="checkbox"/> PATA <input type="checkbox"/> R-PATA <input type="checkbox"/> RDTA <input type="checkbox"/> R-RDTA	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Categorization of TA: <input type="checkbox"/> Category A TA <input checked="" type="checkbox"/> Category B TA	
5. Merits for using the TA approach over the grant-financed project approach: N/A	
6. Coverage	
<input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional	
7. For RDTA: Medium-Term Corporate Strategic Priorities for Research: N/A	
<input type="checkbox"/> Promoting Inclusive Growth <input type="checkbox"/> Address increasing commodity price <input type="checkbox"/> Addressing Climate Change <input type="checkbox"/> Demographic Change <input type="checkbox"/> Regional Integration <input type="checkbox"/> Other	
8. Name of the Specialist (project team leader) in charge of the project: Hubert Jenny	9. Name of the Alternate Specialist: Sonia Chand Sandhu
<ul style="list-style-type: none"> • Local Number: 5519 x140 • Email Address: hjenny@adb.org 	<ul style="list-style-type: none"> • Local Number: 6570 • Email Address: ssandhu@adb.org
10. Department/Division: SERD/SEUW	

11. Key Development Issues to be addressed:

Urban Transformation. Viet Nam's economic transformation since the 1990s is closely aligned with the growth of its urban centers. Vietnamese cities have driven the country's economic transformation and generate over 70% of national GDP. Viet Nam has the third fastest rate of urban expansion in East Asia (2.8%) and is expected to reach an urbanization level of 47% (43 million) by 2020, from 20% (13 million) in 1990 and 35% (31 million) in 2014. This rapid urbanization has outpaced the institutional consolidation of conventional urban planning processes. It highlights the need for integrated planning to strengthen the resilience of cities and urban systems with the institutional consolidation of spatial planning, land use plans and sector master plans (e.g. water and sanitation, solid waste and housing).

Climate Change Threat. Viet Nam is one of the most hazard prone countries of the Asia-Pacific region due to its long coastline and sensitive geographic location. Higher frequency of storms, flooding, drought is responsible for economic and human losses. Given that a high proportion of the country's population and economic assets are located in coastal lowland cities and deltas, Viet Nam is ranked among the five countries likely to be most affected by climate change in the world¹.

The current processes - which independently prepare prescriptive sector master plans, land use and spatial plans, and socioeconomic development plans - lack explicit requirements for climate and disaster resilient planning and implementation. Despite a series of strategic studies by ADB, World Bank and other development partners, the national urban planning policies and processes set out responses in overlapping decrees, circulars and guidelines leading to weak implementation at the local government level.² These national legal, policy and capacity gaps leave cities to devise their own development objectives, compromising sustainable urban local economic development. They also cause fierce competition for scarce resources, and accentuate the urban - rural divide, given poor coordination among provinces and lack of regional planning. Furthermore, despite new decrees and decisions³, there is no official guidance on how to integrate climate change action plans and urban green growth provisions into existing systems for urban planning and disaster management (such as land use planning practice and building codes), and on how to combine these processes with inclusive, structured systems for public participation. Urban development, including infrastructure provision, does therefore not take into consideration these critical elements, a problem further compounded by limited capacities to implement these at local level to plan, implement, monitor and evaluate.

Government Request. The Ministry of Construction (MOC) requested support from ADB and other development partners to respond to policy gaps in the urban sector through the formulation of a National Urban Development Strategy (NUDS). The NUDS will be used to support a programmatic approach for lending based on the existing National Target Program to Respond to Climate Change (2008).

The NUDS will guide urban development through local governments and provide a basis for mobilizing resources for sustainable, efficient and resilient urban development. NUDS will mainstream climate change and disaster resilience into urban development, in keeping with Decision 2623/2013. This Decision calls for MOC to actively respond to climate change through:

- (i) The rational use of resources;
- (ii) Improving and upgrading urban climate change resilient (UCCR) development by updating the legal framework;
- (iii) Planning investments in the context of increased risks from climate change; and
- (iv) Strengthening coordination among ministries and local governments.

The TA is designed to provide key policy building blocks that will allow local governments to:

- (i) Be more responsive to the impacts of climate change in urban development;
- (ii) Initiate policy and sector work integrating UCCR principles meaning solutions that are integrated, inclusive, flexible and robust⁴ in land use administration and planning, especially in peri-urban areas affected by urban sprawling, and addressing equity and inclusiveness for the urban poor;
- (iii) Develop an assessment, strategy and roadmap for the provision of basic urban services, especially water and sanitation, solid waste management and housing, a sector highly sensitive to climate change impact with strong potential for public private partnership (PPP);
- (iv) Review human resource management, operation and maintenance practices of urban infrastructure and services, as part of institutional development and important aspects to improve UCCR. This may include staff capacity and capability, flexibility in reallocating staff during times of disasters etc. and,
- (v) Strengthen knowledge management for urban climate change resilience, especially learning that emerges from understanding processes that work or do not work.

Asian Development Bank (ADB), Nordic Development Fund (NDF) and United States Agency for International Development (USAID) will support the drafting and pilot testing of the National Urban Development Strategy and guidelines for climate resilient low-income housing with a focus on mainstreaming climate and disaster resilience in planning practice and improving the targeting and measurement of pro-poor urban services for inclusiveness and equity.

¹ World Bank/GFDRR "Vulnerability, Risk Reduction, and Adaptation to Climate Change Viet Nam" (2011)

12. TA Description:

Sector Experience. ADB and the Government of Viet Nam have derived major lessons and experience in urban development from completed projects,⁵ in particular the recent GrEEEn Cities (Environment – Equity – Economy) concept developed under TA8314 ('Second Secondary Cities Development Project') now at the core of urban development projects, and the proposed 'Urban Environment and Climate Change Project' (for approval in 2015), which will be the first project to lend OCR to the urban sector in Viet Nam. Important knowledge was also gained under TA7377 ('Climate Change Impact and Adaptation Study in the Mekong Delta') to support a programmatic approach to lending for urban climate change resilience. ADB has also gained experience on the use of various lending instruments – notably in water and sanitation through the use of a \$1 billion multitranché financing facility (MFF0054-VIE) – and policy reforms.⁶

Sector's Programmatic Approach. ADB's proposed programmatic assistance to Viet Nam in the urban sector for 2015-2030 envisages a combination of lending and non-lending assistance to finance infrastructure, institutional reforms and capacity building (see Supplementary Appendix A). The ultimate investment program will build on experience in the sector and aims to mainstream urban climate change resilience and disaster risk preparedness in urban development, through the implementation of the GrEEEn cities framework. Policy design and implementation measures are proposed to be largely conducted through the use of grant based instruments given Viet Nam's track record, the Government and the urban sector's transition from ADF to OCR, local government's repayment capacity, and donor's interest to finance these elements. It is proposed that critical strategic and planning elements be designed through this technical assistance, and systematically implemented through a performance-based access lending program (likely RBL) for approval in 2018. This TA will also undertake required sector diagnostic work (country-wide), and conduct a scoping exercise for further detailing under an ensuing PPTA (for proposed approval in 2016). A large scale CDTA, to be piggy-backed to the investment, will support policy implementation and capacity development.

The TA will provide key deliverables to apply a programmatic approach to lending, most likely through a results-based approach, for urban climate change resilience from 2018, including:

- (i) The National Urban Development Strategy linked to the National Target Program to Respond to Climate Change (2008);
- (ii) An Urban Climate Change Resilient Investment Framework to guide the future investment and priorities for urban development through a programmatic approach with the definition of a policy matrix to review legal and institutional gaps in urban development to 2025 and a list of project selection criteria to be agreed between the development partners and the Government. The UCCR Investment Framework may follow the Global Infrastructure Basel on a standard for sustainable and resilient infrastructure and the City Resilience Framework being used by the 100 Resilient Cities⁷;
- (iii) A pipeline of investment projects based on the UCCR Investment Framework, in urban climate change resilience for economic and environmental infrastructures to promote inclusive local economic development and city competitiveness, including a financing plan that takes into consideration the move from ADF to OCR from 2017, as well as the relending to the local governments.

The TA will work with local government departments directly responsible for land use and urban planning; civil society representatives, especially the women's union; private sector stakeholders; and other development partners to assist mainstreaming climate change adaptation and mitigation into urban planning practice, as required under Vietnamese legislation. Cities Alliance, Germany, JICA, Switzerland, UN-Habitat, World Bank have expressed interest in the investment framework and the lending program.

² ADB/UN-Habitat/UNDP 'Viet Nam Urban Sector Strategy Study' (1995); World Bank *Urban Development Strategy - Meeting the Challenges of Rapid Urbanization and the Transition to a Market Oriented Economy* (2006); World Bank *Vietnam Urbanization Review (VUR)* of 2012; World Bank *East Asia Changing Urban Landscape 'Measuring a decade of spatial growth'* (2015) was provided as an implementable GOV strategy and so did not directly impact planning practices.

³ Decision 1659, Decree 11, and Decision 2623 on climate change and the urban sector present important but fractured approaches with discrete timelines and city priorities.

⁴ ADB *Urban Climate Change Resilience: A Synopsis*. 2014.

⁵ Started in the 1990s with sector focused projects, mostly in water and sanitation (series of Provincial Water Supply and Sanitation Projects); followed in the mid-2000s by the Small and Medium Towns Development Project and Comprehensive Socioeconomic Development Projects (Thanh Hoa, Viet Tri, Hung Yen, Dong Dan), promoting City Development Strategies; and the Secondary Cities Development Projects (Ha Tinh, Tam Ky, Buon Ma Thuot, Hue, Ha Giang, Vinh Yen) from 2012.

⁶ TA8357, for operational improvement in the water supply sector, and TA7885 for urban environment, led to major policy changes, including (i) the enforcement of the legal framework for full cost recovery and public private partnerships (PPP); (ii) the review of Decree 117/2007, supplemented by Decree 124/2011 and introduction of legislation for safe water (water safety plan) and nonrevenue water; (iii) the preparation of Decree 80/2014 on wastewater management, promoting septage management, decentralized wastewater management, PPP and mandatory households connections; (iv) the preparation of private sector development framework for the water sector in Ho Chi Minh City and Da Nang; and (v) the preparation of city sanitation strategies and options studies.

a. **Link to Country Partnership and Government Strategy:** ADB's Urban Operational Plan responds to the call to develop environmentally sustainable, competitive and inclusive cities, setting a '3E approach' under the GrEEEn Cities program. ADB's Country Partnership Strategy (CPS) 2012 – 2015 echoes this approach through its three pillars: inclusive growth, enhancing economic efficiency, and environmental sustainability. The CPS works to maximize development impacts by integrating thematic considerations such as good governance, capacity building, climate change and public participation. ADB's work in Viet Nam reflects these strategic approaches. The investments are subject to climate risk screening and designed to promote the construction of integrated, inclusive, flexible and robust infrastructure to achieve resilience. This TA and the proposed ensuing program will enable a broad-based multi-donor urban environmental improvement assistance under the umbrella of GrEEEn Cities, in support of Viet Nam's Green Growth Strategy. They are consistent with Viet Nam's Socio-Economic Development Plan (2011-2015) and Socio-Economic Development Strategy (2011-2020); as well as Viet Nam's National Program on Urban Development (2011-2020) and the Framework Master Plan for Urban Development. The vision is also consistent with the government's vision for (i) decentralization, devolving responsibility from central government to the provinces, including the new law on urban planning; (ii) PPPs, especially through the equitization of water and wastewater companies; and (iii) management of utilities under full cost recover provisions.

b. **Impact:** To turn low-carbon economy and green growth into main orientations for sustainable development (National Climate Change Strategy, 2011).

c. **Outcome:** Climate and disaster resilience mainstreamed into urban development (in line with Prime Minister Decision 2623/2013).

d. **Outputs**

1. **National Urban Climate Change Resilience Strategy and Reform Program approved by 2018.** This output will deliver the institutional framework to support a participatory cross-sectoral urbanization planning process in Viet Nam that engages officials at the national and provincial levels and community members, including

- (i) Viet Nam's new NUDS to be approved as a high level policy document under a Prime Minister Decision, leading to a new National Target Program for mainstreaming climate change resilience into urban development, consistent with NUDP, which will underline ADB's participation in the sector through a government-led results based lending program; and
- (ii) An Urban Climate Change Resilience Investment Framework consisting of a matrix of urban policies and institutional gaps over the next 10 years and project selection criteria to support the future program lending to the urban sector through result based lending.

The technical assistance will provide support for NUDS consultations with relevant ministries, provincial authorities, community members and relevant communities of practice. As part of the piloting of the NUDS, up to three provincial and regional Climate Change Resilient Green Growth Strategies/Urban Development Strategies Statements and up to six climate change and disaster resilient Urban Development Programs/Green Cities Action Plans (GCAPs) will be formulated as a participatory planning exercise, including Spatial Development Plans for Climate Change Adaptation and Mitigation. The final text of the NUDS will be prepared by MOC supported by Project consultants for approval by Decision of the Prime Minister and dissemination to all Provinces by 2018. The NUDS will be designed to further develop and detail government's existing National Urban Development Program (NUDP),⁸ and provide the links to provincial and local climate change resilient Urban Development Plans (UDP), required under Decree 42/2009. Under the NUDS, the UDP will be linked to the Green Cities Action Plan (GCAP), developed by ADB. In this way, the government will meet objectives laid out under National Target Program to Respond to Climate Change (2008), namely to include climate change resilience measures into local urban planning and provision of basic urban services. The NUDS will build on best practices from the Urban Climate Change Community of Practice in Viet Nam, in particular successful institutional frameworks, analytical approaches and capacity building tools piloted in the ACCRN cities Can Tho, Da Nang and Quy Nhon, including the recent lessons from the USAID supported "Mekong Building Resilience for Asian Cities" (M-BRACE) program.

2. **National Urban Planning improved by 2017,** through the incorporation of urban climate change resilience elements in planning and building practices. This output will have the following deliverables:

- (i) Guideline on urban resilient green urban land use planning for urban and peri-urban areas, including testing through the development/updating of a land-use plan.
- (ii) Guidelines / Manual for low-cost resilient housing and pilots.
- (iii) Dissemination and Capacity Building on (i) and (ii).

⁷ http://www.100resilientcities.org/resilience#/-_Yz44MTU3MCdpPTEoc25j/

⁸ Decision 1659/QĐ-TTg on Approval of the National Urban Development Program for 2012–2020, issued November 2012, sponsored by MOC.

The TA will review existing and land-use plans and construction practices for urban and peri-urban areas. An urban green resilient land use planning and infrastructure framework will be prepared under this output, following a review of practices and practical recommendations. The recommendations will be applied to pilot at least one resilient land-use plan, including protection measures for a low-income commune, which may include recommendations on upgraded resilient housing.

To facilitate the formulation of a transparent monitoring and evaluation system, assistance will be provided to integrate existing databases of urban development and climate change and disaster risk information by Q3 2016. Concurrently, the project will review existing master plans for climate resilience and disaster risk reduction considerations in at least 6 highly vulnerable low-income urban areas in An Giang, Dong Thap, Ca Mau, and Kien Giang Provinces by Q1 2017. The project includes pilot area land-use planning and capacity building in climate and disaster resilient construction to determine best practices and document lessons learned. Suitable planning mechanisms and low cost housing guidelines will be developed for coping with storms and floods in coastal areas influenced by extreme weather addressing one of the major issues of the urban poor living in the peri-urban areas of the cities. Focusing on adapted housing as one of NUDS' critical sub-sectors, the TA will pilot a climate and disaster resilient housing model and knowledge suitable for living with storms and floods in coastal areas, which are affected by extreme weather. The assistance will adapt resilient construction models for the target provinces based on a review of best practices in Viet Nam and their suitability for the Mekong region.⁹ Construction materials will be selected for high levels of resilience to weather changes, environmental sustainability, affordability, local accessibility and durability. An additional requirement is that these homes can be maintained by local people with limited assistance from local construction companies.¹⁰ The project will record its findings in a manual for low-cost climate resilient construction.

3. **Capacity developed to implement climate change resilience at Provincial and City Levels.** This output will have the following deliverables:
- (i) The preparation of 3 Climate Change Resilient Green Growth Strategies, developed at the provincial level to promote regional planning for climate change resilience, based on the NUDS and the National Green Growth Strategy.
 - (ii) The preparation of 6 Green Cities Action Plans, developed in a participatory manner and incorporating climate change resilience. These will identify key infrastructure, policy and institutional requirements in 6 priority cities and will act as precursors to the PPTA. Cities will be prioritized on the basis of size and vulnerability.

A comprehensive assessment on Viet Nam's cities' exposure and vulnerability to climate change, current measures and requirements to mainstream climate change resilience through land use administration and planning (e.g. coastal zoning and protection), infrastructure design (e.g. climate proofing) and disaster risk preparedness measures, among others will be conducted through an ongoing foundation / scoping phase funded by Cities Alliance in close collaboration with ADB project team and in parallel to the proposed TA. Other areas that will be explored under the TA include twinning of cities through decentralized cooperation, new modalities for financing municipal infrastructures and services, and capacity development and knowledge management for urban climate change resilience.

13. **Assumptions and risks:**

- a. Government reduces borrowing for urban environment and commitment to pursue changes in the legislation on urban planning, land-use planning and development control.
- b. Policymakers do not revise necessary guidance for provincial planning: Government and communities do not take an active interest in integrating planning and methods for UCCR in the provision of basic urban services, including low income housing into their urban master plans;
- c. Best practices and measurable requirements are not incorporated into final guidance documents.

⁹ Such as ISET (2014) *Sheltering from a Gathering Storm: Typhoon Resilience in Vietnam, Da Nang. Case Study on Climate Resilient Shelter Design.*

¹⁰ The design of this type of houses should follow the 'Row houses – Design Standards' No. TCXDVN 353 - 2005 issued by MOC under Decision 42/2005/QĐ-BXD dated 29 November 2005 with minimum allowable criteria, and easy, safe operation and use.

14. Implementation Arrangements

a. Proposed executing and implementing agency:

ADB will be the executing agency for the TA. The Implementing Agency will be the Ministry of Construction and will coordinate with the PPCs and DOCs of the target cities and provinces. Project coordinators will be appointed to manage the TA. A consultative Steering Committee, chaired by MOC with representatives from the Government Agencies, development partners and civil society will meet at least twice a year to monitor the progress of the TA.

b. Institutional, organizational, procurement, and/or financial management assessments on the executing {and implementing} agency previously conducted

Yes No

The MOC is the Executing Agency for TA7885-VIE (\$2 million). ADB is proposed EA for this TA with MOC as IA in order to simplify and fast track procurement while maintaining a high level of ownership in the MOC.

The project team will assess following areas and report each in supplementary appendixes to the TA report: *N/A*

- risk assessments and risk management following OM section C4;
- financial management system following OM section G2;
- procurement following OM sections J2 and J3, and PAI No. 3.01;
- financial reporting to ADB following OM section J7; and/or
- payment procedure within ADB in the light of the *Technical Assistance Disbursement Handbook*.

c. ADB inputs

\$1.96 million by United States Agency for International Development (for Outputs 1 and 3) and €500,000 EUR equivalent will be provided by the Nordic Development Fund (for Output 2). Both Funds will be administered by ADB. The TA will finance a total 85 persons-month (PM) of international consultants and 153 PM of national consultants. One firm will be recruited using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), following Fixed Budget Selection, Full Technical Proposal and lump sum contract to deliver all 3 Outputs for a budget of about \$2 million. The firm will provide 61 PM of international consultants and 117 PM of national consultants (further details are in Appendix 3). The remaining consultants will be recruited as individual consultants, recognized for their unique skills in urban development, in general, and thematic / sector specialty, in particular in the field of Land use planning (1 international), Knowledge Management (2 international), Urban Policy (1 international) and Project Coordination (1 international and 2 national) to support the TA administration. All the consultants will be recruited under advance action after approval of the concept paper. Procurement of Works and Goods under the provisional sum to be managed by the firm will be done in accordance with the ADB's Procurement Guidelines (2015, as amended from time to time).

d. Complementary inputs to be provided by the government and/or other TA providing agencies

Additional in-kind support is provided by Government and related agencies.

15. Nature and/or extent of government and/or beneficiary involvement in identifying or conceptualizing the assistance:

The Vice Minister of the Ministry of Construction in charge of the Urban Development Agency requested ADB assistance for the NUDS. The Urban Development Agency, MOC and the PPC of Ca Mau and Kien Giang, DOC and DPI were extensively involved in the design of this assistance. The initial request to ADB was made in May 2013 by Vice Minister of MOC and repeated during a reconnaissance mission in December 2013. ADB mobilized an urban environment consultant to review the proposed assistance in the Mekong Delta Province from November 2013 – March 2014. The development partners and the members of the Urban Climate Change Resilience Community of Practice are supporting the TA.

16. Cost Estimates and Proposed Financing Arrangements

The TA is estimated to cost \$2,505,000 equivalent. It is proposed that the ADB provide \$1,960,000 on a grant basis from USAID and EUR 500,000 equivalent on a grant basis from NDF. The funds will be administered by ADB and disbursements under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

Tentative Cost Allocation:

Item	Total Cost (\$)
A. Nordic Development Fund^a	
1. Consultants	340,000
a. Remuneration and per diem	
i. International consultants	200,000
ii. National consultants	100,000
b. International and local travel	30,000
c. Reports and communications	10,000
2. Equipment^b	100,000
Equipment resilient construction ^c	80,000
Equipment for municipal and ward management units	20,000
3. Training and Workshop^d	30,000
4. Surveys, studies, and impact monitoring	30,000
5. Miscellaneous, administration and support cost^a	30,000
6. Contingencies	15,000
Sub-total A	545,000
B. USAID Financing^a	
1. Consultants	1,700,000
a. Remuneration and per diem	
i. International consultants	1,120,000
ii. National consultants	450,000
b. International and local travel	120,000
c. Reports and communications	10,000
2. Equipment (IT)^e	30,000
3. Training and Workshop^d	50,000
4. Surveys, studies, and impact monitoring	50,000
5. Miscellaneous, administration and support cost^a	105,000
6. Contingencies	25,000
Subtotal B	1,960,000
Total	2,505,000

- a. Administered by the Asian Development Bank. Forex (€1 = \$1.09). This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant from the Government of Viet Nam.
- b. Includes resilient construction materials for demonstration homes only (estimated at \$5,000/house) and the mobilization of vehicles, machinery necessary for construction activities during workshops.
- c. Output 2 will procure materials for households participating in demonstration/pilot activities associated with climate change resilient construction. The remaining households will be constructed using Government's own funding to demonstrate financial sustainability of the model.
- d. Includes training, workshops, implementing awareness raising activities, and cost for producing capacity building and training resources including editing, formatting, printing and dissemination of both print and multimedia materials.
- e. IT equipment, such as laptops, computers, printers, scanners, photocopy machines and accessories for the executing agency and the implementing agency as well as software developed or customized for studies and/or urban service delivery.
- Source: ADB Project Team

17. Initial assessment on eligibility of expenditure

- Proposed activities are likely to comply with specific fund regulations, agreements and/or guidelines.
- Waiver from the Board may be necessary for {exceeding the normal limit of the use of pilot testing on the project approach.}

18. Monitoring and Evaluation

For the Government, the TA will be monitored through the consultative Steering Committee, chaired by the MOC. The key Provincial agency is DOC (urban land use planning and developments), and coordination agencies are the DARD, DONRE. Quarterly reviews will be conducted by the TA Project Team in collaboration with MOC/ PMU.

For ADB, the TA will be monitored through regular review missions by the ADB Project Officer outposted to Viet Nam Resident Mission.

The TA includes 2 individual consultants in charge of knowledge management: One specialist in writing knowledge products and another one in media definition and production.

19. Estimated period of TA implementation:

- a. Approval of TA: 09/2015
- b. Physical completion of TA: 12/2018
- c. Closing of TA: 06/2019

CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 49153-001	
Project Name	Sustainable and Resilient Urban Development in Viet Nam	Department /Division	SERD/SEUW
Country Borrower	Viet Nam, Socialist Republic of Ministry of Construction	Executing Agency	Asian Development Bank
2. Sector	Subsector(s)	Financing (\$ million)	
✓ Water and other urban infrastructure and services	Urban housing		0.55
	Urban policy, institutional and capacity development		2.00
		Total	2.55
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
Environmentally sustainable growth (ESG)	Disaster risk management Environmental policy and legislation Urban environmental improvement		
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Civil society participation Institutional development	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
Partnerships (PAR)	Bilateral institutions (not client government) Official cofinancing		
Private sector development (PSD)	Conducive policy and institutional environment		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Not Applicable	
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources	Amount (\$ million)		
ADB	0.00		
None	0.00		
Cofinancing	2.51		
United States Agency for International Development	1.96		
Nordic Development Fund	0.55		
Counterpart	0.00		
None	0.00		
Total	2.51		
9. Effective Development Cooperation			
Use of country procurement systems	Yes		
Use of country public financial management systems	Yes		

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with:

To turn low-carbon economy and green growth into main orientations for sustainable development (National Climate Change Strategy, 2011)

Project Results Chain	Performance Indicators with Target Baselines	Data Sources or Reporting Mechanisms	Risks
Outcome Climate change and disaster resilience mainstreamed into urban development (in line with Prime Minister Decision 2623/2013).	By 2019: A series of urban investment programs prepared with climate resilience features for 2018 to 2027.	TA final report. Report to USAID on indicator on Legal/Policy Environment (#4.2.8-28) and institutional capacity (#4.8.2-14). TA final report	Policymakers do not revise necessary guidance for provincial planning. Government reduces borrowing for urban environment.
Outputs 1. National Urban Climate Change Resilience Strategy and Reform Program approved	By 2018: 1a. NUDS approved by Prime Minister. 1b. Urban Climate Change Resilience Investment Framework approved	Published NUDS TA Report	Best practices and measurable requirements are not incorporated into final guidance documents.
2 National Urban Planning Improved	By 2017: 2a. Guideline on urban resilient green urban land use planning for urban and peri-urban areas prepared and tested through participatory approach, including 40% women. 2b. Resilient construction manual prepared including cost norms, including gender-sensitive elements, as relevant. 2c. Three training events for local SMEs, construction contractors and local government officials organized in target cities.	TA final report TA final report and Report to NDF TCR	Central government does not endorse the guidelines
3. Capacity Developed to implement climate change resilience at Provincial and City Levels	By 2018: 3a. At least 3 target provinces have provincial climate change resilient Green Growth Strategies formulated based on the approved NUDS. 3b. Approval of at least NUDS responsive and climate change resilient 3 Provincial Green Growth Strategies and 6 Green City Action Plans / Urban Development Plans at the city level, including low-income housing and climate change	TA final report Report to USAID on indicator on institutional capacity (#4.8.2-14) and Legal/Policy Environment (#4.2.8-28) TA final report Report to USAID on indicator on institutional capacity (#4.8.2-14) and Legal/Policy Environment (#4.2.8-28)	Local governments reallocate trained staff for other positions

Project Results Chain	Performance Indicators with Target Baselines	Data Sources or Reporting Mechanisms	Risks
	<p>resilient shelters development approved.</p> <p>3c. At least 12 government agencies with improved capacity to address climate change resilience issues as a result of the TA.</p> <p>3d. At least 200 individual stakeholders, including 50% women, trained for at least 50 days with increased capacity to adapt to the impacts of climate change as a result of the.</p>	<p>TCR Report to USAID on indicator on institutional capacity (#4.8.2-14) for 3 Central Government Agencies; 3 Provincial Governments and 6 City Governments under the TA.</p> <p>TCR Report to USAID on indicator on adaptive capacity (#4.8.2-26), Training on adaptation (#4.8.2-6) and TA (#4.8.2-27) and gender (GNDR-2; GNDR-3)</p>	

Key Activities with Milestones

Output 1. National Urban Climate Change Resilience Strategy and Reform Program approved

- 1.1 Formulate main NUDS involving national and provincial government officials and communities, including elements on basic municipal services, affordable housing, improved spatial planning and more sustainable municipal finance; completed by 2017.
- 1.2 Prepare an Urban Climate Change Resilience Investment Framework by 2016 to support a programmatic approach to lending by 2018.

Output 2. National Urban Planning improved

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

Output 3. Capacity Developed to implement climate change resilience at Provincial and City Levels

- 3.1 Define and implement yearly Capacity Development Plan and Knowledge Management Plan, by 2016.
- 3.2 Prepare NUDS based provincial / regional climate change resilient Green Growth Strategies / Urban Development Strategy Statements in 3 provinces, based on the approved NUDS by 2018.
- 3.3 Prepare NUDS based climate change resilient Green City Action Plans / Urban Development Plans for six cities, by 2018.

Inputs

NDF (for output 2):	EUR 500,000
USAID (for output 2 and 3):	\$1,960,000
Government (in-kind):	\$200,000

Assumption for Partner Financing

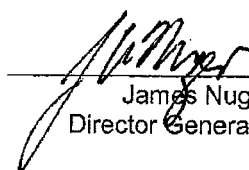
Cofinancing from NDF and from USAID is administered by ADB on a contractual basis with joint procurement packages following ADB latest Guidelines for the recruitment of consulting services and for procurement.

GOV: Government of Viet Nam; MOC: Ministry of Construction; NDF: Nordic Development Fund; NUDS: National Urban Development Strategy; SME: Small and Medium Enterprises; TA: Technical Assistance; TCR: Technical Assistance Completion Report; USAID: United States Agency for International Development.

Source: Asian Development Bank.



Tatiana Gallego-Lizon
Director, SEUW



James Nugent
Director General, SERD

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. BACKGROUND

1. The overall objective of the capacity development technical assistance (CDTA) is to support the government of Viet Nam (GOV) to provide basic deliverables in view of a programmatic approach to lending most likely through RBL for urban climate change resilience (UCCR) from 2018, including:

- (i) The National Urban Development Strategy (NUDS) and a National Target Program (NTP) for Urban Climate Change Resilience;
- (ii) An Urban Climate Change Investment Framework to guide the future investment and priorities for urban development.
- (iii) A pipeline of investment projects in urban climate change resilience for economic and environmental infrastructures to promote inclusive local economic development and city competitiveness. A project preparation technical assistance will supplement the CDTA in 2016 to prepare the investment projects and the program

2. The CDTA will be delivered through a consultancy contract with one Firm, to incorporate the three main outputs (NUDS, National Urban Planning and Capacity Development for UCCR) of the Project and individual consultants for specialist studies and advisory inputs, recruited as individual consultants or resources persons. The consultants' contracts will be administered by ADB with the Ministry of Construction (MOC), as counterpart agency of the GOV.

3. **Sources of funding:** The consultancy assignment will be cofinanced by the United States Agency for International Development (USAID) for about \$1,960,000 million for output 1 (NUDS) and 3 (Capacity Development for UCCR), and Nordic Development Fund (NDF) for €500,000 for output 2 (National Urban Planning with climate and disaster resilient housing). The funds will be administered by ADB.

4. **Output 1: National Urban Climate Change Resilience Strategy and Reform Program.** This output will deliver the institutional framework to support a participatory cross-sectoral urbanization planning process in Viet Nam that engages officials at the national and provincial levels and community members, including

- (i) Viet Nam's new NUDS to be approved as a high level policy document under a Prime Minister Decision, leading to a new National Target Program for mainstreaming climate change resilience into urban development, consistent with NUDP, which will underlie ADB's participation in the sector through a government-led results based lending program;
- (ii) An Urban Climate Change Resilience Investment Framework consisting of a matrix of urban policies and institutional gaps over the next 10 years and project selection criteria to support the future program lending to the urban sector through result based lending.

5. The technical assistance will provide support for NUDES consultations with relevant ministries, provincial authorities, community members and relevant communities of practice. As part of the piloting of the NUDES, up to three provincial and regional Climate Change Resilient Green Growth Strategies/Urban Development Strategies Statements and up to six climate

change and disaster resilient Urban Development Programs/Green Cities Action Plans (GCAPs) will be formulated as a participatory planning exercise, including Spatial Development Plans for Climate Change Adaptation and Mitigation.

6. The final text of the NUDS will be prepared by MOC supported by Project consultants for approval by Decision of the Prime Minister and dissemination to all Provinces by 2018. The NUDS will be designed to further develop and detail government's existing National Urban Development Program (NUDP),¹¹ and provide the links to provincial and local climate change resilient Urban Development Plans (UDP), required under Decree 42/2009. Under the NUDS, the UDP will be linked to the Green Cities Action Plan (GCAP), developed by ADB. In this way, the government will meet objectives laid out under National Target Program to Respond to Climate Change (2008), namely to include climate change resilience measures into local urban planning and provision of basic urban services.

7. The NUDS will build on best practices from the Urban Climate Change Community of Practice in Viet Nam, in particular successful institutional frameworks, analytical approaches and capacity building tools piloted in the ACCCRN cities Can Tho, Da Nang and Quy Nhon, including the recent lessons from the USAID supported "Mekong Building Resilience for Asian Cities" (M-BRACE) program. Other areas that will be explored under the TA include twinning of cities through decentralized cooperation, new modalities for financing municipal infrastructures and services, and capacity development and knowledge management for urban climate change resilience.

8. **Output 2: National Urban Planning improved**, through the incorporation of urban climate change resilience elements in planning and building practices. This output will have the following deliverables:

- (i) Guideline on urban resilient green urban land use administration and planning for urban and peri-urban areas, including testing through the development/updating of a land-use plan.
- (ii) Guidelines / Manual for low-cost resilient housing and pilots.
- (iii) Dissemination and Capacity Building on (i) and (ii).

9. The TA will review existing and land-use administration, plans and construction practices for urban and peri-urban areas. An urban green resilient land use planning and infrastructure framework will be prepared under this output, following a review of practices and practical recommendations. The recommendations will be applied to pilot at least one resilient land-use plan, including protection measures for a low-income commune, which may include recommendations on upgraded resilient housing.

10. To facilitate the formulation of a transparent monitoring and evaluation system, assistance will be provided to integrate existing databases of urban development and climate change and disaster risk information by Q3 2016. Concurrently, the project will review existing master plans for climate resilience and disaster risk reduction considerations in at least 6 highly vulnerable low-income urban areas in An Giang, Dong Thap, Ca Mau, and Kien Giang Provinces by Q1 2017. The project includes pilot area land-use planning and capacity building in climate and disaster resilient construction to determine best practices and document lessons

learned. Suitable planning mechanisms and low cost housing guidelines will be developed for coping with storms and floods in coastal areas influenced by extreme weather addressing one of the major issues of the urban poor living in the peri-urban areas of the cities.

11. Focusing on adapted housing as one of NUDS' critical sub-sectors, the TA will pilot a climate and disaster resilient housing model and knowledge suitable for living with storms and floods in coastal areas, which are affected by extreme weather. The assistance will adapt resilient construction models for the target provinces based on a review of best practices in Viet Nam and their suitability for the Mekong region.¹² Construction materials will be selected for high levels of resilience to weather changes, environmental sustainability, affordability, local accessibility and durability. An additional requirement is that these homes can be maintained by local people with limited assistance from local construction companies.¹³ The project will record its findings in a manual for low-cost climate resilient construction.

12. The consultant will organize three training events for local SMEs, construction contractors and local government officials organized in the target cities.

13. **Output 3: Capacity developed to implement climate change resilience at Provincial and City Levels.** This output will have the following deliverables:

- (i) The preparation of 3 Climate Change Resilient Green Growth Strategies, developed at the provincial level to promote regional planning for climate change resilience, based on the NUDS and the National Green Growth Strategy.
- (ii) The preparation of 6 Green Cities Action Plans, developed in a participatory manner and incorporating climate change resilience. These will identify key infrastructure, policy and institutional requirements in 6 priority cities and will act as precursors to the PPTA. Cities will be prioritized on the basis of size and vulnerability.

14. A comprehensive assessment on Viet Nam's cities' exposure and vulnerability to climate change, current measures and requirements to mainstream climate change resilience through land use administration and planning (e.g. coastal zoning and protection), infrastructure design (e.g. climate proofing) and disaster risk preparedness measures, among others will be conducted through an ongoing foundation / scoping phase funded by Cities Alliance in close collaboration with ADB project team and in parallel to the proposed TA.

15. Other areas that will be explored under the TA include twinning of cities through decentralized cooperation, new modalities for financing municipal infrastructures and services, and capacity development and knowledge management for urban climate change resilience.

16. The capacity development will train at least 12 government agencies with improved capacity to address climate change resilience issues and at least 200 individual stakeholders, including 50% women for at least 50 days with increased capacity to adapt to the impacts of climate change.

¹² Such as ISET (2014) *Sheltering from a Gathering Storm: Typhoon Resilience in Vietnam*, Da Nang. Case Study on Climate Resilient Shelter Design.

¹³ The design of this type of houses should follow the 'Row houses – Design Standards' No. TCXDVN 353 - 2005 issued by MOC under Decision 42/2005/QĐ-BXD dated 29 November 2005 with minimum allowable criteria, and easy, safe operation and use.

17. It is estimated that 61 person-months (PM) of international consultants and 117 PM of national consultants will be required and hired through a firm to deliver output 1 and 2. The firm to be recruited will be responsible for delivering training programs and procuring equipment.¹⁴ The Consultancy firm will be selected and engaged through Fixed Budget Selection using full technical proposal, in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and disbursements under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (2015, as amended from time to time). Procurement of Works and Goods under the provisional sum to be managed by the firm will be done in accordance with the ADB's Procurement Guidelines (2015, as amended from time to time). Individual consultants will be recruited for a total of 24 PM international consultants and 36 PM of national consultants, recognized for their unique skills in urban development, in general and thematic / sector specialty, in particular in the field of solid waste management, disaster management, Land use, Knowledge Management, and Project Coordination to support the TA administration. The details of the consultants required is summarized in the following table:

FIRM	International PM	National PM
OUTPUT 1: National Urban Development Strategy		
Urban Climate and Disaster Resilience Specialist / Team Leader	18	24
Institutional Capacity Building Specialist	6	9
Urban Planning Specialist (GIS)	6	6
Municipal Finance Specialist	3	6
Land use Planning Specialist	3	6
Solid Waste Specialist	6	6
Disaster Management Plan	3	
Social Development Specialist	3	6
Database / GIS	0	9
Project Assistant / accountant	0	24
SUB TOTAL	48	96
OUTPUT 2: Inclusive Climate Change Resilience		
Architect / Housing Specialist / Deputy Team Leader	6	9
Finance / Economist	3	6
Community Development Specialist	3	6
Communications / Knowledge Management Specialist	1	
SUB TOTAL	13	21
SUB TOTAL FIRM	61	117
INDIVIDUAL CONSULTANTS	International PM	National PM
Policy Advisor Urban	6	
Project Coordinator M&E	6	12
Land Use Administration Expert	3	
Research Assistant		24
Knowledge Management I	6	
Knowledge Management II	3	
SUB TOTAL INDIVIDUAL CONSULTANTS	24	36
GRAND TOTAL	85	153

¹⁴ Equipment and workshops budget will be provided as a provisional sum under the consultants contract to be reviewed by ADB.

B. Consulting Services - FIRM

18. **Urban Climate Change and Resilience Specialist (Team Leader)** (international 18 pm - national 24 pm). The consultant will advise government and ADB on the policy and strategic aspects that should be incorporated into the National Urban Development Strategy NUDS. As urban planner and team leader, the consultant will be responsible for the following tasks: (i) describe the "urbanization process" in Viet Nam at an appropriate level of detail, as a new landmark publication, using the 2012 Viet Nam Urbanization Review¹⁵ as basis, complemented and updated with the results from data collection, performance assessment and analysis of the NUDS Foundation Phase; (ii) engage in high level policy dialogue, providing advice and improving understanding on the necessary transition towards a more flexible and responsive urban master planning process, in particular measures to respond to UCCRP principles and urban resilience qualities;¹⁶ (iii) support MOC in drafting the NUDS and gaining its approval by the Steering Committee, to eventually achieve status as Prime Minister's Decision; (iv) ensure that NUDS includes appropriate strategies on (a) intra-urban transport; (b) basic municipal services; (c) affordable housing; (d) an updated approach to spatial planning; and (e) sustainable municipal financing. The Team Leader will be responsible for the coordination of the two main outputs of the project, and the timely submission of all deliverables. The consultant will have at least 15 years' experience working in urban planning and management, and hold a Master's degree in urban environment and development. Earlier experience with urban planning and governance is essential, as is demonstrable experience in leading a multi-disciplinary team.

19. **Housing specialist – architect / Deputy Team Leader:** (international 6 pm - national 9 pm). As an international advisor and deputy team leader of the housing component, the consultant will be responsible for the following tasks: (i) at national level, review government regulations and actual practice for climate and disaster resilient housing construction in Viet Nam, including research and manuals, and their actual application and impact; (ii) advise on the affordable housing component of the NUDS and contribute to the description of the urbanization process; (iii) review the potential for conducting storm-resilient house construction activities in the pre-selected Ca Mau province, and engage in dialogue on choice of pilot sites, including selection of local counterpart agencies, communities and contractors; (iv) building on government guidelines as well as recent manuals prepared by development partners, draft guidelines and building manuals for low-cost climate and disaster resilient house construction, meeting Government guidelines and cost norms, to be used in future as training manuals; (v) set up monitoring and evaluation processes to assess the performance of existing and pilot house construction for climate and disaster resilience. The consultant will work closely with the Team Leader and should have a minimum of 12 years international experience working on house design and construction, of which at least 5 years on disaster resilient design in Southeast Asia. The consultant will hold an advanced degree in architecture, building engineering or a related field.

20. **Institutional and Capacity Building Specialist** (International 6 pm - national 9 pm). The consultant will be responsible for advising on the legal and institutional reforms required to achieve substantive reform in the process of spatial planning, transforming the current restrictive master planning process to become more dynamic and flexible. Key specific tasks will include: (i) assess the institutional component of the analysis of the current performance of urban

¹⁵ World Bank. 2012. *Vietnam Urbanization Review*. Hanoi.

¹⁶ The consultant should demonstrate experience assisting cities in achieving resilience outcomes similar to those outlined in Rockefeller Foundation, City Resilience Framework: City Resilience Index. <http://www.rockefellerfoundation.org/uploads/files/0bb537c0-d872-467f-9470-b20f57c32488.pdf> and the ADB Urban Operational Plan 2012-2020: <http://www.adb.org/documents/urban-operational-plan-2012-2020>.

development as conducted during the NUDS Foundation Phase, and contribute to the "urbanization process" report; (ii) conduct high-level policy dialogue to assess the potential for achieving governance reform in the planning process, and assess the impact in terms of future requirements for institutional strengthening and skills adjustments or enhancement; (iii) contribute to the legal and institutional sections of NUDS and the Strategic Statements. The consultant will hold an advanced degree in a relevant field such as political sciences, economics or law, with at least 10 years relevant international experience in the legal and institutional aspects of urban planning and governance.

21. **Municipal Finance Specialist** (International 3 pm – national 6 pm). The consultant will be responsible for formulating specific recommendations on improving the fiscal and administrative framework for urban local government, and incorporate these into NUDS and its subsidiary documentation. Specific tasks include: (i) Contributing to the initial "urbanization process" report, describe the present system of funding urban development, focusing on the mechanisms of transfers from central to subnational government, and level of sub-national revenue generation; (ii) briefly describe as a benchmark the impact of current practice on financing urban development, including sale of public land, on the performance of urban government in response to actual citizens' demand; (iii) following high-level consultation among government and finance professionals, formulate realistic yet ambitious recommendations on achieving more sustainable mechanisms for financing urban development, infrastructure and services; (iv) design a roadmap for the gradual introduction of the recommendations proposed, following consultation with Ministry of Home Affairs, Ministry of Finance and other relevant government organizations. The consultant shall have a minimum of 10 years of international professional experience in public finance and administration, with at least a master's degree or equivalent advanced qualification in a discipline relevant to the assigned tasks.

22. **Land-use Planning Specialist** (International 3 pm – national 6 pm). The consultant shall contribute to the NUDS and Strategy Statements on the land management aspects of urban planning and governance, including land-use aspects in current and proposed master planning process. Specific tasks may include: (i) Describe and critically review relevant land-use planning legislation and regulations, their enforcement, application and impact, focusing on urban land-use planning and the efficacy of enforcing land-use plans as part of development control; (ii) using a combination of anecdotal evidence and systematic inventory as available, describe the impact of enforcing land use plans in controlling urban form and space, in particular for water-shed management as part of flood-control and disaster mitigation planning; (iii) recommend on pragmatic changes in legislation and means for enforcing land-use planning, within proposed changes in master planning processes. The consultant will have a minimum of 10 years' international experience working in land use planning, and hold a Master's degree in urban planning, or equivalent.

23. **Social Development Specialist** (International 3 pm - national – 6 pm). The consultant will be responsible for the following tasks: (i) as contribution to the initial "urbanization process" report, advise on actual policy and practice of land acquisition and resettlement resulting from urban development, including livelihood related impacts associated with relocating households away from high risk areas; (ii) as part of the formulation of NUDS, recommend on possible changes in legislation and regulations on land acquisition and resettlement, highlighting areas of convergence and discrepancy with international practice, including compliance with ADB SPS (2009); and (iii) specific to the housing component where relevant, provide recommendations on any relocation, resettlement and land acquisition issues. The consultant will hold at least a bachelor degree in a relevant field, and have a minimum of 7 years' experience working on

community development and urban resettlement, of which at least 3 years on international development projects.

24. **Urban Planning Specialist (GIS)** (international 6 pm – national 6 pm). The role of the Urban Planning (GIS) specialist is to analyze the data and findings on urban development performance, as assembled during the NUDS Foundation Phase, and design means to effectively visualize this information, to enable drawing strategic conclusions for future recommended policy directions. The specialist shall work closely with the Team Leader and the land-use specialists. The consultant should have university level technical specialization in geography or environmental sciences, or equivalent, with strong experience in using remote sensing and GIS for analytical purposes.

25. **Communications and Knowledge Management Specialist** (international 1 pm). The specialist will advise the Team Leader and other members of the team on the design and delivery of project outputs, using appropriate means of communication, to inform or advise, and to improve awareness. Project knowledge is likely to be disseminated through reports and briefing papers for senior level government and development partners, press releases for print and mass-media, presentations, technical manuals, information to local government and community representatives. Tasks include (i) in general, provide specialist advice on the effective dissemination of project findings to selected stake holders, through any means of publication (print, mass media etc.); (ii) assist with the preparation and production of appropriate style construction manuals for disaster-resilient house construction, aimed at local contractors. The consultant will have university level degree in language and communications, with a minimum of 5 years work experience working in or with media. Experience in publishing and with development projects in Viet Nam will be desirable.

26. **Database / GIS Specialist** (national 9 pm). The role of the Database GIS specialist is to input into database and GIS format the data and findings from the Urban Planning Specialist. The consultant should have university level technical specialization in Information technology, or equivalent, with 3 years' experience in using remote sensing and GIS for data entry and analytical purposes.

27. **Project Assistant / Accountant** (national 24 pm). The role of the Project Assistant and Accountant is to consolidate all project expenses for submission to ADB Project Officer and to organize the logistics for the consultant recruited under the TA. The consultant will have experience with internationally financed technical assistance or projects.

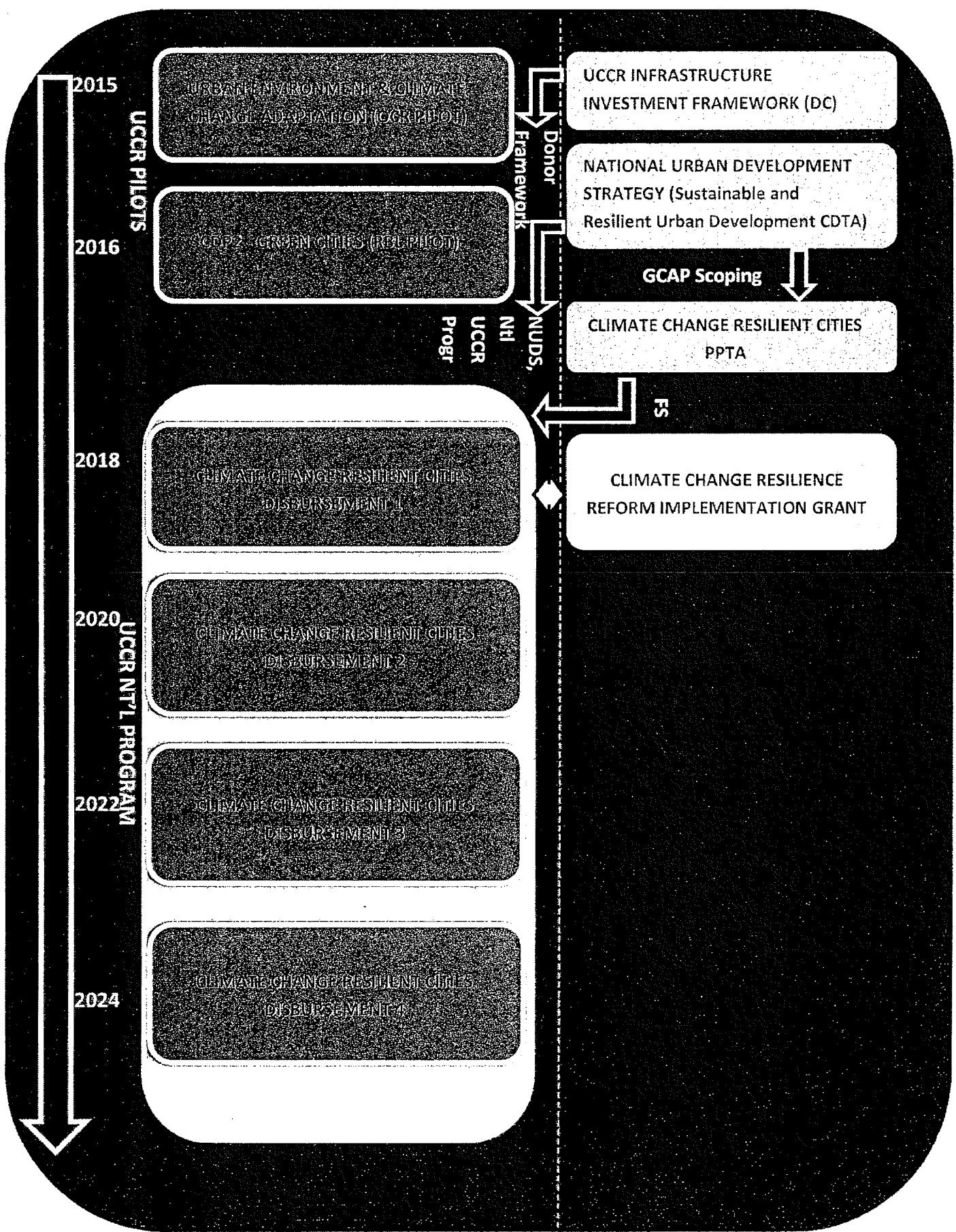
28. **Finance / Economist** (international 3 pm – national 6 pm). The role of the Finance / Economist is to prepare the cost estimates and the financial and economic analysis of the housing / shelter component and to optimize the costing. The consultant shall work closely with the Deputy Team Leader and the land-use specialists. The consultant should have university level specialization in economy, finance or engineering, or equivalent, with 7 years' experience in working with financial and economic analysis for internationally financed technical assistance or projects.

29. **Community Development Specialist** (international 3 pm – national 6 pm). The role of the Community Development Specialist is to assist the project team to work with the communities in a participatory manner for the housing / shelter component of the TA. The specialist shall work closely with the Deputy Team Leader and the land-use specialists. The consultant should have university level specialization in social development, or equivalent, with 7 years' experience in community participation and working with NGOs.

**SUPPLEMENTARY APPENDIX A:
VIE (49153-001): SUSTAINABLE AND RESILIENT URBAN DEVELOPMENT IN VIET NAM**

URBAN CLIMATE CHANGE RESILIENCE PROGRAM (GREEN CITIES), 2018-2025

<p>Rationale</p> <ul style="list-style-type: none"> • Reducing vulnerability to climate change impact (VIE in top 3 most exposed countries): projected increase in sea level rise, rainfall (in rainy season) and drought (in dry months), salinity, storm surge. • Mainstreaming urban climate change resilience (grEEEn cities) and disaster risk preparedness in urban development. • Bridging the rural-urban divide and improved cooperation across administrative boundaries through regional planning. • Improved local economic development through financing infrastructure gap and addressing institutional bottlenecks. 	<p>Demand</p> <ul style="list-style-type: none"> • Third fastest rate of urban expansion in East Asia (2.8%). Urbanization level from 20-47% in 30yrs (1990-2020) with a population of 43 Million (2020). • \$23 billion for urban (WB).
<p>Previous Experience</p> <ul style="list-style-type: none"> • Urban Environment & Climate Change Adaptation (OCR Pilot - \$100 million) • SCDP2 - Green Cities (RBL pilot - \$170 million) • CDTA 7377, Climate Change Impact and Adaptation Study in the Mekong Delta • (+ extensive presence in the sector for the past 15 years) 	<p>Policy and Sector Reform</p> <ul style="list-style-type: none"> • National Urban Development Strategy (w/ mainstreamed UCCR), requested by vice-minister (MOC). • Provision of basic urban services: minimum standards developed and enforced. • Mandatory implementation of urban climate change resilient land use planning and master-planning guidelines. • National Targeted UCCR Program implemented. • Green Cities Action Plans mainstreamed. • Improved municipal finance through enforcement of property tax. • Promotion of PPP (instead of land development funds and BT).
<p>Proposed Program Lending</p> <ul style="list-style-type: none"> • 2018 UCCR Investment Program (\$500-600 million) over 10 years Can be upscaled at any time based on fiscal space at the local government level and relending policies of the Government 	<p>Nonlending</p> <ul style="list-style-type: none"> • 2015: DC for Preparation of Infrastructure Investment Framework (\$225,000) • 2015: CDTA on Sustainable and Resilient Urban Development in VietNam (NUDS, National GrEEEn/UCCR Investment Program, 6GCAPs) • 2016: PPTA UCCR/GrEEEn city development • 2018: Large Grant/CDTA to support UCCR reform implementation
<p>Special Features</p> <ul style="list-style-type: none"> • Larger cities/ secondary city clusters with greater vulnerability prioritized. • Specialized cofinancing (GCF, UCCRTF) and partnerships (GGGI) • Aligned to ADB's efforts to scale up climate change adaptation. • Emphasis on inclusive growth and targeted assistance to poor. 	<p>Modality(-ies)</p> <ul style="list-style-type: none"> • Results Based Lending likely. • Large grant-based assistance for capacity development



LENDING

NON-LENDING