



**Government
of the Socialist Republic of Viet Nam**



**United Nations
Development Programme**

DETAILED PROJECT OUTLINE

1. Project Title:

Strengthening Sustainable Development and Climate Planning

2. Code:

3. Name of Donor: United Nation Development Programme (UNDP)

4. Managing agency: Ministry of Planning and Investment

5. Proposing agency: Department of Science, Education, Natural Resources and Environment

Address: 2 Hoang Van Thu, Ba Dinh, Ha Noi

Tel/Fax: 08043584/047339912

6. Project owner: Department of Science, Education, Natural Resources and Environment

7. Estimated start and end dates: around 3 years and 2 months, from end of 2008 till December 2011

8. Project implementation location: Hanoi and selected provinces

9. Estimated budget

a. Committed funds:

a.1 Regular Resources: 2,400,000

(Additional fund required: 1,200,000)

a.2 Co-financing (indicating funds from each donor country and organization)

b. Government contribution: 2.100.000.000 VND, equivalent to 125.000 USD (in kind)

10. Modality of ODA provision: ODA grant

ACRONYMS

ADB	-	Asian Development Bank
CPRGS	-	The Comprehensive Poverty Reduction and Growth Strategy
DONRE	-	Department of Environment and Natural Resources
DOST	-	Department of Science and Technology
DPI	-	Department of Public Information
GEF	-	Global Environment Facility
GHG	-	Greenhouse Gases
LA21	-	Local Agenda 21
M&E	-	Monitoring and Evaluation
MARD	-	Ministry of Agriculture and Rural Development
MONRE	-	The Ministry of Natural Resources and Environment
MOST	-	Ministry of Science and Technology
MPI	-	Ministry of Planning and Investment
NCSD	-	National Council for Sustainable Development
NSEP	-	National Strategy for Environmental Protection and Vision until 2020
PECSME	-	Promotion of Energy Conservation in Small-to-Medium Scale Enterprises
SDM	-	Sustainable Development Mechanism
SDO	-	Sustainable Development Office
UNDP	-	United Nations Development Program
UNEP	-	United Nations Environment Program
VARCC	-	Viet Nam Assessment Report on Climate Change
VA21	-	Viet Nam Agenda 21
VEEPL	-	Viet Nam Energy Efficient Public Lighting Project

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I. PROJECT JUSTIFICATION:

1. Situational Analysis and Assessment

Viet Nam's rapid economic growth of over 7 percent has contributed to dramatic progress in improving its overall human development index, particularly in education, health, and increased incomes. However, these gains have come at great cost to the environment, severely affecting over half the population who depend on natural resources for their livelihoods. Rapid urbanization, booming population, expansion of agriculture -- particularly rice production -- and widespread conversion of natural habitats for infrastructure development has led to the destruction of important ecosystems, and decline in biodiversity. In addition, polluted water and air are a growing environment health challenge which particularly impacts poor people.

Rapid economic growth has caused an increase in the demand for energy with demand for electricity in 2010 expected to be triple that of 2002. Green house gas (GHG) emissions are increasing as burning of fossil fuels continues to be the primary energy source for industry and other applications. The Institute of Energy suggests that 20-25% of the electricity is derived from coal, and 35% from gas. These rates are growing -- coal power is expected to double by 2015 and account for more than 40% of the total source for electricity. This is, in part, due to rapid urbanization and energy-intensive industrial production, as well as a rise in unsustainable household consumption patterns. While there is a target to increase the use of renewable energy to 10% in Asia, Viet Nam estimates an expansion of approximately 3-5%.

Vietnam's total GHG emissions are projected to double from net-emissions of 104 million Mt CO₂e in 1994 to about 233 million Mt CO₂e in 2020. GHG emissions dramatically add to the threat of unprecedented global climatic changes, the impacts of which pose serious risks to achieving sustainable development goals. Viet Nam is estimated by the World Bank to be among the world's top five countries vulnerable to sea level rise. Floods, storms, and droughts already account for nearly 80 percent of natural disasters in Viet Nam. If temperatures rise of above two degrees Celsius, about 22 million people in Viet Nam are estimated to be displaced and 45 percent of Mekong Delta farmland will be impacted. Recent experiences of environmental and social catastrophe in Viet Nam have led to some policy changes, for instance in coastal protection. However, Viet Nam needs to mainstream climate concerns and make steps towards energy efficiency, and renewable energies to make Viet Nam a low carbon economy.

The World Summit on Sustainable Development (Johannesburg Summit) in 2002, and the UN Commission on Sustainable Development, at its 14th and 15th sessions, has emphasized the link between climate change, energy, and sustainable development. This was highlighted at the recent Bali conference and the ongoing international negotiations for a post Kyoto framework. The challenge lies in reconciling the synergies and trade-offs between economic, social and environment objectives, particularly in terms of energy use. Climate change concerns - both on mitigation of emissions and adaptation to impacts - needs to be integrated into economic and social plans and programmes. This will require

strong national commitment not only from political leaders, but also from businesses and households. Within government, the Ministry of Planning and Investment (MPI) plays a key coordinating role for planning, private sector investment and aid coordination.

There are many donors working in Viet Nam including on the environment and increasingly climate change. The One UN has improved the coherence of UN programmes but there is a need to work more closely with the broader aid harmonization agenda. UNDP is proposing to complement its support for sustainable and climate planning to MPI with support to MONRE (on developing the climate national target programme) and MARD (on climate adaptation in the agriculture sector and disaster management). These three UNDP programmes need to be closely coordinated. DANIDA the largest donor to the environment sector will be providing significant support until at least 2011 including for MPI on sustainable development planning (which has the same Project Director at MPI as the proposed UNDP support). UNDP needs to work closely to coordinate work plan activities with DANIDA.

2. Relevant Government strategies and policies

The key government plan is the national Social and Economic Development Plan (SEDP). The current SEDP for 2006-2011 is now being reviewed and inputs gathered for the upcoming ten year Social Economic Development Strategy 2011-2020 and the five socio economic development plan 2011-2015. The Ministry of Planning and Investment leads on the SEDP with inputs from other line agencies, provinces and other key stakeholders. The Comprehensive Growth and Poverty Reduction Strategy (CGPRS) was undertaken by the government with a finite time frame largely to mobilize donor financing.

The Ministry of Planning and Investment (MPI) leads on social and economic planning, facilitating private sector investment and aid coordination – although state finances are separately controlled by the Ministry of Finance (and there are discussions about the links between MPI and MoF). MPI currently has a key role to play in ensuring that plans, policies and programmes are developed which address the synergies and trade-offs of economic, social and environmental objectives, including the growing challenge of climate change adaptation and mitigation (eg through changing energy use). MPI is also tasked with overseeing the implementation of the Viet Nam's "Strategic Orientation Strategy on Sustainable Development in Viet Nam (National Agenda 21). However Agenda 21 has been marginalized by the mainstream planning process. Among Viet Nam's 64 Provinces, planning and investment is managed by the Department of Planning and Investment (DPI). Typically planning targets are set in a top down fashion, with some wealthier Provinces taking a more active role in setting out their requirements.

There are many tools for sustainable planning to address the synergies and trade-offs of the multiple objectives of economic growth, poverty reduction and environmental improvement. But environment tools have typically received the least attention. To address environment issues, already Viet Nam has a system of environment impact assessment, but implementation is limited. In 2007, the government has issued a Directive for Strategic Environmental Assessment (SEA)

to be applied to plans and programmes. There is considerable donor support, but implementation is only just starting. MPI is interested in reviewing different sustainable planning tools, including sustainability appraisal as applied in the UK. There is also experience developing from UNDP support on poverty environment. It seems most important to actually apply sustainability appraisal/assessment to influence key decisions (eg infrastructure choice, location and design) rather than being distracted by definitions and procedures. In terms of sustainability planning tools, application is more important than definition.

Environment issues have been given greater impetus by the realization of the government and public that climate change presents a huge threat to social and economic progress. The private sector is also seeing the opportunities in terms of new markets through low carbon exports and domestic demand. The Ministry of Natural Resources and Environment (MONRE) is mandated to act as the national focal point for implementing the UNFCCC and Kyoto Protocol. In 2007 following the Bali Climate Conference, the Prime Minister issued a Directive to develop a National Target Programme to address climate change by mid 2008.

Many of the activities being identified by the government to adapt to climate change, such as managing scarcer water resources or vulnerable land, and investing in forest cover are just examples of good environment management. For the disaster mitigation aspects of climate change, Ministry of Agriculture and Rural Development (MARD) is responsible. The Government has also issued a number of energy efficiency programmes and incentives for developing carbon markets and promoting the clean development mechanism (CDM). Donors are showing huge interest in climate change, but the government is yet to determine how to improve coordination of the potentially significant donor funds for climate change.

MPI and MONRE both have key roles to play in sustainable development, including climate change, but institutionally relationships at the centre have not been easy. MPI has the mandate to set the planning process, and includes a small Department of Science, Environment and natural resources, but MONRE has a much larger pool of technical staff on environment and climate issues. However at the Provincial level, closer to the specific needs of the selected Provinces, relationships between DPIs and DONREs are often more operational.

3. Lessons learned from previous cooperation

Over the past decade, UNDP has supported the Government in developing its social and economic development plans and sustainable development agenda, including drafting and implementing the Strategic Orientation Strategy on Sustainable Development in Viet Nam (National Agenda 21). Analysis of UNDP support for sustainable development and international experience demonstrate that addressing sustainable development with the added impetus of climate change is a huge institutional challenge. The GoV has requested UNDP to review lessons learned from prior experience implementing Agenda 21, with a view towards promoting sustainable development and strengthening the institutional capacity for ensuring climate and energy considerations are well integrated into social and economic plans and strategies.

Consultations held in 2007 revealed that, while the programme was successful in placing SD on the political agenda, key institutional and political challenges hindered the actual mainstreaming of SD into plans and policies. Weak awareness and lack of good implementation strategy in place, in addition of strained relations between government ministries and agencies have led to institutional paralysis and poor institutional buy-in for SD by ministries. Attempts to encompass the wide number of institutions involved in sustainable development, through the formation of the National Council for Sustainable Development, have largely failed. The NCSD was set up as a cross-sectoral organization comprising 45 representatives tasked to guide the Prime Minister in directing the implementation of Agenda 21. With so many agencies represented by senior staff and a vast mandate, NCSD met rarely, with limited results.

Other barriers include: 1) poor or ineffective institutional framework for implementing Viet Nam Agenda 21, and overlap of responsibilities amongst agencies; 2) compartmentalization of projects within and across agencies, limiting positive impacts to within project boundaries and hindering mainstreaming of project results in other policies/programmes; 3) lack of human and financial resources to implement SD at local level; 4) poor coordination between other ministries and agencies, leading to duplication of activities and inefficient allocation of resources; 5) lack of clear 'how to' guidance on implementing activities and unclear SD targets and indicators for monitoring and evaluation; and 6) top-down consultative processes. This experiences in terms of successes and shortcomings of previous UNDP support to MPI need to be carefully reviewed during the inception phase of this programme.

UNDP is in a strategic position to support the GoV in overcoming these institutional challenges, shifting UNDP's capacity development from training of skills to supporting mechanisms for coordination, capacity development, policy advocacy and analysis, and knowledge sharing and management. Key to this is ensuring that MPI, DPIs and sectoral ministries work together in an integrated and collaborative way. Viet Nam is in the process of reforming key institutions to be able to perform more effectively towards achieving environmental outcomes. UNDP can play an important role in providing guidance on ways in which non-performing agencies, councils, and institutions can be made more effective.

MPI has a key role to play in terms of sustainable planning, creating an enabling framework for private investment. In this way, there is a need to identify ways that MPI can contribute constructively to this challenge of improved coordination perhaps by giving the NCSD a greater role to coordinate climate policies and programmes. As agencies begin developing sectoral policies to address climate change, and sustainable development issues, this may be an opportunity to realign the NCSD to assume an advisory role for implementing cross-sectoral and cross-regional sustainable development planning and plans.

This is particularly important in light of emerging challenges, where, due to moves to a market economy and political reforms, including decentralization, the role of central government is becoming more limited as Provinces compete to attract private investment. At the same time, global attention on climate change has combined with national trends to hugely raise the profile of climate change among the government, private sector and donor community in Viet Nam. Viet Nam's rapid economic growth and strong FDI attractiveness, make it a high profile

destination for private sector investments under the clean development mechanism (CDM). This interest in climate presents opportunities, but also challenges to coordinate this huge interest and potential influx of financing.

The political attention being given to climate change provides a positive context for ensuring that the whole approach to sustainable planning, including coordinating private investments, is more effectively and widely implemented. UNDP should reinforce its national and local advocacy to enhance awareness, and build partnerships for SD, with the end result being more support for sustainable development as a viable framework for coordinating emerging development challenges and climate change impacts. This includes ensuring that mainstreaming climate issues is not seen as a separate process – with separate tools – but part of the broader effort for sustainable planning. UNDP will support MPI and other agencies to identify entry-points for integrating new tools such as “climate proofing” into existing procedures and processes (such as SEA) to avoid confusion and planning paralysis.

UNDP should enhance stronger results-based management in programmes and activities, and ensure that programme partners are equipped with the knowledge and skills to support the programme’s achievement. Further, strengthening and expanding the sectoral analyses/researches and knowledge base on SD, as well as climate change and SD linkages, through networks and think tanks, is crucial in order to provide timely expert advisory support and technical guidance.

4. Development cooperation with other donors in related sector(s)

Viet Nam has major donor inflows both due to its large number of people still living in poverty – but also its success in lifting people out of poverty supported by effective use of donor resources. Many donors including UNDP and the World Bank are supporting the next SEDP.

There is considerable donor support for the environment particularly from DANIDA, CIDA and SIDA. DANIDA has a \$25 million programme on environment which includes a small amount of support (ie about \$200,000 per year) for sustainable development planning to MPI. SIDA along with GTZ and SDC have provided major support for developing strategic environment assessment (SEA).

Since the Bali COP, Vietnam has seen an influx of donor interest in climate related projects. The Asian Development Bank and World Bank are piloting index-based flood insurance in the Mekong Delta, while the World Bank is providing loan and technical assistance support through the National Disaster Risk Management Projects to establish and implement a comprehensive disaster risk management framework is providing support for the “Capacity Building for Adaptation to Climate Change” project, focusing activities on training, research, creating adaptation plans, and awareness raising and advocacy. The Danish International Development Agency (DANIDA) is implementing programs at the provincial level targeting capacity and awareness building with regards to climate change, energy efficiency programs, and disaster mitigation through coastal management. Sweden, the Netherlands, Australia, and the UK have also expressed interest in supporting adaptation projects. The influx of funding and support to climate

change activities demands a more coordinated effort; and UNDP, given its comparative advantage, can play a key role in harmonizing donor support.

5. Comparative advantage of UNDP

UNDP has been supporting the Government of Viet Nam in integrating and strengthening sustainable development goals since 1977. In the environment and energy area, UNDP has a large portfolio and remains a close and trusted partner of government. This includes support for energy consumption and energy efficiency in small enterprises (MOST-PECSME) and public lighting (VEEPL with the Viet Nam academy of Science and technology), supporting poverty-environment mainstreaming (with MONRE). UNDP has also supported the GoV in climate related activities and disaster risk reduction. UNDP with UNICEF, WHO and FAO have been instrumental in developing the Disaster Management Working Group to facilitate coordination.

As part of the One UN plan, the UN system is giving greater priority to climate change and UNDP has three multi-agency climate-related projects in the pipeline. In addition to this support to MPI on sustainable development and climate planning, there is support proposed for MONRE to develop the National Targeted Programme on climate change, and support for MARD for climate adaption in agriculture and disaster risk reduction.

Proposed One UN Climate Programme

<p style="text-align: center;">MONRE National Target Programme</p> <ol style="list-style-type: none"> 1. Support to NTP 2. Scientific Base 3. Policy and institutional analysis 	<p style="text-align: center;">MPI Sustainability and Climate Change</p> <ol style="list-style-type: none"> 1. Strengthened SD planning 2. Knowledge and advocacy 3. Capacity of MPI 4. Coordination frameworks 	<p style="text-align: center;">MARD Disaster Risk Reduction in Agriculture/Rural Development</p> <ol style="list-style-type: none"> 1. CCRR Strategy 2. DRR Centre in MARD
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By supporting these three key Ministries on climate change, UNDP is well placed to improve the limited inter-ministerial cooperation on the issue and promote a more holistic approach to climate change among government, private sector, donors and other agencies. UNDP with its focus on capacity building can also provide support to the GoV to design and implement larger climate change investment programmes funded by the government and by the development banks and major bilateral.

6. Statement of problems/issues to be addressed by the project

The Orientation Strategy on Sustainable Development (Viet Nam Agenda 21) has been approved by the Prime Minister in August 2004. It set principles for development in Viet Nam in long term but leaves flexibility for short and medium term implementation to address the reality and the challenges that Viet Nam is facing at the time. In the last few years, particularly since Viet Nam has entered WTO in November 2006, Viet Nam's planning and investment has focused on GDP growth and increasingly poverty reduction. There has been dramatic success in both areas. The economy is growing by about 7% and poverty falling steadily although considerable pockets of poverty remain. However, environmental challenges and seriousness of climate change present new set of barriers to the sustainable development in Viet Nam. While some environment indicators have been improving (e.g. access to clean water and reduced indoor air pollution), other environment indicators are worsening (e.g. generation of solid waste, outdoor air pollution and GHG emissions). In addition, climate change is starting to have dramatic impacts on economic, social and environmental issues. Attempts to adapt to climate beyond traditional disaster responsiveness are only now receiving greater attention.

Climate change is not new issue. It only has new scale now. It will have enormous impacts in the long term development context, particularly on the poor people. Promoting integration of SD and CC into social and economic planning process needs special attention. While Viet Nam Agenda 21 provided the framework it does not provide institutional tools to support mainstreaming process. Lack of institutional tools and mechanism the integration will not be materialized.

Behavior change is crucial factor to ensure that the integration lead to tangible results. Lack of information or knowledge about the CC will lead to distorted understanding which in turn may prevent the innovation to address Climate change issues. Behavior on CC and deep awareness on its consequences of planners at different level will help integration and investment that are CC proof could be implemented. Unfortunately the best and the most updated knowledge about the CC is not readily in VN.

Energy is a key factor to decide the health of economy. It is also a key factor caused climate change. For fast industrialization in Viet Nam, energy is the key to measure the sustainable development in Viet Nam. Energy, as an input to the economy and output of emission to environment it has implications for sustainable development. Strong strategic treatment of energy supply, energy use and emission will have major impacts on SD in Viet Nam.

The Ministry of Planning and Investment (MPI) leads on social and economic planning, facilitating private sector investment and aid coordination. It has a key role to play in ensuring that plans, policies and programmes are developed which address the synergies and trade-offs of economic, social and environmental objectives, including the growing challenge of climate change adaptation and mitigation (e.g. through changing energy use).

The DSENRE of MPI is committed to mainstreaming climate and sustainable development concerns within planning processes and to ensuring that other agencies are likewise equipped with technical training and tools for mainstreaming. But effective implementation will require working closely across MPI with the lead departments on planning and investment, and also on climate mainstreaming with MONRE and MARD. UNDP will support MPI in undertaking an institutional review to analyze strengths and weaknesses and propose recommendations for enhancing internal as well as interagency coordination. Key to this is developing clear guidance, including measurable targets and indicators, on how to mainstream SD and climate in planning processes that can be used by all agencies.

Lessons on institutional mechanisms for integrating climate and sustainable development planning can be drawn from other countries (e.g. China, India, Indonesia, etc.) in order to inform Viet Nam's coordinating structure. Experience on inter-agency climate coordinating committees will be reviewed from China, India, Malaya, Indonesia, Thailand and some industrialized countries such as France, Netherlands and the UK.

There is evidence that inter-ministerial working can be more effective at the Provincial level where the DPI, DONRE and DARD work more closely together. The programme will therefore ensure that significant resources and focus are given to developing effective working relationships at the Provincial level, building on UNDP support through the poverty environment programme (PEP) and related support.

II. Project overview:

Summary and structure

This project aims at strengthening planning climate change capacity for planning institutions at both central and provincial levels.

This will be achieved through the following four outputs:

Output 1: Integration of sustainable development (SD) and Climate change (CC) into national Social and Economic Plans and Investment

Output 2: Decision-makers and public equipped with knowledge and tools to change behavior on SD and CC/Energy

Output 3: Strengthened capacity for sustainable development planning, including climate change

Output 4: More effective coordinated institutional framework for SD and climate change/energy

III. PROJECT IMPLEMENTATION STRATEGY

1. Overall strategy and approach

The project focuses on the key mandate of MPI for planning at national and provincial level and enabling private sector investment. Activities at the national level will focus on institutional reform and capacity development; policy formulation and support for implementation targeting the integration of climate change/energy considerations in SD plans; and policy advocacy through knowledge sharing and awareness raising. At the provincial level, UNDP will support Provincial DPIs to strengthen the technical capacity of departments involved in integrating sustainability concerns, focusing on climate change and energy concerns in local planning. Pilots will be selected based on areas where climate change will be significant such as the Red River and Mekong Delta.

Result based management and planning will be applied to the project implementation to ensure the resource needed mobilized timely. Top international institutions and international consultants in the field of climate change and economic planning, of environmental management will be mobilized to help at the beginning through network of UNDP and UN agencies in Viet Nam. Partnership approach will be applied to ensure that donor's supports to MPI be professionally coordinated. These supports include DANIDA on going support to DSEE, UNDP's support to Strategic Development Plan and SEDP, UNDP's support to SLGP, and particularly UNDP's supports to MARD, MONRE dealing with Climate Change. Participation approach, with at least 30 % of women involved, will be promoted.

Quarterly and annual work plans are the main tools for monitoring and will get special attention for project follow up.

The project will address many key cross cutting issues as this is at the heart of sustainable development planning. Stakeholder involvement underpins sustainable development. The project will specially focus on private sector investment with which MPI has a key role. It will also work closely with the major groups, fatherland front and the mass media.

2. Gender Equality as a cross-cutting issue

Women's participation in planning and decision-making on climate protection and sustainable decision is a big challenge. As women are in general more vulnerable to the effects of climate change, in particular because they represent the majority of the world's poor and because they are more than proportionally dependent on natural resources that are threatened, gender equality is a very important issue of sustainable development and climate planning.

Therefore it is important that gender equality concerns in particular women's representation in decision making will be integrated in all elements of the project as a cross-cutting issue. A number of mechanisms will be established to assure that this project will be gender responsive in all its actions and initiatives. These include:

- 1) A proportion of minimum of 30 % women's participation is targeted in every training activities organized by the project including workshops, trainings and study tours.
- 2) Ensuring that all project contractors, trainers and advisory teams are gender balanced;
- 3) Inclusion of gender aspects in capacity building activities
- 4) Inclusion of gender aspects in media and advocacy activities conducted by the project, e.g. by ensuring that the produced media and advocacy material is gender sensitive avoiding gender stereotypes
- 5) The collected data is sex-disaggregated when possible.

IV. PROJECT IMPLEMENTATION STRUCTURE

The project will be nationally executed using National Execution Modality following Harmonized Guidelines with MPI as the Project's National Implementing Partner (NIP). At present, MPI is executing and developing a number of UNDP-supported projects. The ministry is the NIP for the projects "Support to the preparation of National Millennium Development Goals Reports 2008 and 2010"; and "Strengthening Local Governance". It is also a co-implementing partner, responsible for a component on SEDP implementation progress monitoring and reporting under the "Socio-Economic Development Monitoring" project. A new initiative called "Support for the formulation of national Development Strategy 2011 – 2020" is currently under implementation.

To most effectively utilize the resources and experiences/lessons gained from the above initiatives, it is envisaged that a single management structure/system within MPI will be set up for management and implementation of all UNDP-supported projects. This aims to ensure the coherence and effectiveness of UNDP support and reduce transaction costs for the implementing partner. This consolidation would translate into the production of a single annual work plan that would guide the implementation of all UNDP-supported assistance to MPI.

The NIP will have the overall responsibility for implementation of the approved AWP, and be accountable to the Government and UNDP for substantive quality as well as for the proper use of all resources assigned. The NIP has the responsibility to manage, coordinate and monitor all project activities, regardless of whether it directly implements activities or assigns other partners to do so.

The Project Management Structure would consist of the followings:

Project Executive Board (PEB)

The Project Executive Board plays an important role in overseeing and guiding the project implementation. The PEB will make all necessary decisions and provide guidance for implementation of project activities, including approval of the overall project work-plan, annual work plans and budget revisions.

Member of the PEB as follow: Leader of MPI (Chairperson), representative of UNDP, representatives of leader of: Foreign Economic Relation Department, Department of General Economic Issues, Development Strategy Institute and

National Project Director (Vice Chairperson). The PEB will meet once a year and more frequently as deemed necessary (see TOR attached).

In case of special requirement beyond PEB mandates or the project need assistances and participations from other related ministries, MPI and UNDP could call for consultation meeting with ODA state management agencies (Office of Government, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Natural Resources and Environment, Ministry of Agriculture and Rural Development...)

Project Management Unit

The Project Management Unit (PMU) is responsible to MPI and UNDP for directing, managing and implementing the project, including preparation of the overall project work-plan, annual work plans and budget revisions. Detailed annual plans shall be elaborated based on agreement with UNDP donors and submitted to the PEB for approval.

The PMU will cooperate with UNDP to recruit national and international experts in conformity with AWP. International experts in collaboration with national experts create and develop professional knowledge and experiences, capacity strengthening for PMU and implementing partners.

The PMU consist of NPD, DNP (if any), Project Manager and other full-time project staffs (see TOR attached).

National Project Director

National Project Director (NPD) will be assigned by MPI to lead and manage the project. The NPD will be supported by DNP if necessary. A team of staffs will be recruited to support NPD/DNP to implement this project on daily basis.

The team will include the following positions:

Project Manager

Project Manager will be delegated by the NPD/DNP to ensure smooth implementation on daily basis. PM will be accountable for operational activities of the project. Therefore this is full time position with strong management experiences and excellent English. He/she responsible for the progress reports, annual workplans and budget for approval.

Project Assistant and Accountant

The Project Manager will be supported by a Project Assistant. An Accountant will be recruited to handle project's financial aspects.

Senior Technical Advisor and International and national technical consultants:

Technical Support to the project implementation, focusing on substantive aspects, will include an STA, short term and long term international experts. As project will have strong research/sectoral analyses, a short term chief international researcher will be recruited (see TOR attached).

V. PROJECT IMPLEMENTATION COORDINATION

1. Coordination between concerned agencies in Viet Nam

Partnerships are essential to ensuring effective delivery of products and services, and that project activities align with national and local needs. As Vietnam grapples with finding the right policies and institutional fit to address emerging challenges, MPI will have a key role to play in ensuring that plans, policies and programmes are developed which address the synergies and trade-offs of economic, social and environmental objectives, including climate change adaptation and mitigation (eg through changing energy use). Within government, the focus will be on promoting linkages with UNDP's climate change support to MPI, MONRE and, MARD. MPI, MONRE, and MARD are members of several climate-related steering committees, including the NTP where other members include representatives from ministries, agencies, and provinces that are sensitive and vulnerable to the impacts of climate change. A partnership on SD and CC led by MPI could be a useful forum for identifying synergies and complementarities between projects, as well as areas where one agency has a distinct comparative advantage, in order to develop guidance on coordinating SD, including climate change, at national and provincial levels. This partnership should draw lessons learned from other existing partnership such as Poverty Environment partnership, International Support Group at MARD. Within the framework of this project, MPI should have a more active role in donor coordination on climate change issues.

With regards to advocacy and communication on SD and climate change, the project will provide support MPI. But the project will need to decide carefully - based on an assessment of funds/skills available and MPI's comparative advantage and past experience with communication - how the most appropriate audience for advocacy and communication. One option is to limit the focus on MPI's own staff and units at central and local level (i.e. DPs), key government partners in sectoral ministries and key private sector investors with whom MPI has contact. A second option would for MPI to engage in broader efforts to raising public awareness and promoting practical steps for more active participation in advancing SD goals through public media campaigns (using Viet Nam Television) and creative interventions. This could also include networking with regional and global research institutions to undertake research studies and gap analyses, and extensive stakeholder consultations, in order to gauge public understanding and identify strategic entry-points for public advocacy.

For research and analysis, the project will draw on international and government institution and research centers, like the Institute for Environmental and Sustainable Development, the Northern Region Institute for SD under the Viet Nam Academy of Social Science and, as well as a number of environmental related NGOs. A framework similar to that of the National Council for Sustainable Development could be a useful mechanism to enhance stakeholder involvement, build transparency, and enhance cooperation amongst key agencies.

ODA state management agencies including MPI, GOV, MOF, MOJ, MOFA will give guidance and oversee in order to ensure full observation of current ODA regulations of project implementation process.

2. Coordination UNDP-supported initiatives to MPI

To ensure the harmonization, effective coordination and synergy of all UNDP-supported initiatives to the NIP, as indicated in Section VI above, efforts will be made to develop a single management structure for all UNDP supports to MPI, specifically comprised of but not limited to (i) a single annual work planning exercise, annual work plans; (ii) single management structure with one NPD and project support teams; (iii) single progress reporting, monitoring and review mechanism; and (iv) single financial management and reporting; etc.

3. Donor coordination

Donor coordination is essential given the growing donor interest in climate change as well as sustainability planning. With donors, the focus will be on coordinating with other donors supporting the NESDP and environment issues, particularly DANIDA which is providing support for sustainable planning to MPI. UNDP, with its focus on capacity development, can also provide support to the GoV to design and implement larger climate change investment programmes funded by the government and by the development banks and major bilateral.

4. Financial management mechanism

MPI will be the Project Implementing Partner and will be accountable to the Government and UNDP for (i) substantive quality of the project as contribution to the achievement of the project outputs to contribute to One Plan outcomes; (ii) the effective use of both national and UNDP resources allocated to it; (iii) the availability and timeliness of national contributions to support project implementation and (iv) the proper coordination among all project stakeholders, particularly national parties and with other projects.

5. Monitoring, Evaluation and Reporting

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key deliverables, based on quality criteria and methods outlined below:
- An Issue Log shall be activated in Atlas and updated by the Program Officer to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Report (QPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- An Annual Review Report shall be prepared by the Project Manager and shared with the Project Management Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- *Annual Project Review.* Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Management Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

VI. OTHER CONSIDERATIONS

1. Anticipated impact on social and gender equity

The Project will promote processes whereby the views, needs and rights of politically marginalized groups – including women, rural poor and ethnic minorities – can be more fairly articulated in deliberations and negotiations over the use and the development of natural resources; and improve SD policy linkages with local-level realities through knowledge management and dissemination of lessons learned. Through active engagement, vulnerable groups will have better access to policy channels, and will, thus, have a stronger voice in their own development.

2. Anticipated environmental impact

The Project is specifically designed to have a positive impact on the environment through the better coordination and implementation of sustainable and pro-environment policies.

3. Sustainability

The project will focus on supporting government led processes such as the NESDP. The programme has been extensively discussed with government, other stakeholders and key donors to maximize the opportunities for ownership and coordination.

4. Risk Analysis

Risk	Risk Rating	Risk Minimization Measures
Delay in recruitment of international and national experts	High	International experts must have prior experience delivering high quality capacity development and policy advice on SD. National experts must have prior experience conducting research as well as networking with partners in Vietnam and must be familiar with past SD efforts. Detailed TORs will be drafted to ensure high quality candidates are selected.
Change in MPI's role due to institutional restructuring	Moderate	Review institutional changes and remain flexible to changing roles and responsibilities
A lack of coordination among government departments	Moderate	The Project will provide capacity and policy support towards outlining roles and responsibilities, and identifying areas of synergy. The Project will need to identify champions within focal agencies to promote project objectives.
Insufficient coordination with other donor support	Low	Work closely with other donors, especially DANIDA
Feasibility, plausibility, and effectiveness of the single management structure/system within MPI	Moderate	The Project needs to mobilize the resources and lessons learnt from managing previous UNDP projects which have elements of this harmonization. Exchanges of experiences with other programs/projects need to further promoted.
Effective coordination among UNDP-supported projects to MPI and other relevant UNDP-supported projects.	Low	Extra efforts and attention will be channeled to internal coordination of all related UNDP assistance.

ANNEX 1: PROJECT RESULTS AND RESOURCES FRAMEWORK

Project Title Code: Strengthening Sustainable Development and Climate Planning				
Responsible Officer: tbd				
Implementing Partner: Ministry of Investment and Planning (MPI)				
Level	Indicators	Baseline	Target	Method of Verification
Project Result: MPI and other agencies integrating SD, including climate change, in social and economic development plans, programmes, and strategies	CC included in social and economic development plans, programmes, and strategies	SD, including CC, not integrated in social and economic planning	By 2010, SD issues, including climate change, integrated in key development plans, programmes, and strategies	1. Monitoring & evaluation based on agreed targets and indicators 2. Institutional reviews and surveys
Project Objective: Strengthening sustainable development and climate planning and investment	Ministries and agencies equipped with the knowledge and skills to coordinate activities with priority for climate and energy	Institutional weakness for SD planning	By 2010, coordinating mechanism agreed, and agencies coordinating and implementing SD-CC activities	1. Monitoring & evaluation based on agreed targets and indicators 2. Institutional reviews

<p>Output 1: GoV agencies implementing agreed mechanism for integrating sustainable development and climate change into national Social and Economic Plans and Investment</p> <p>Activities:</p> <p>1.1 Review of international experience of using sustainable development planning tools completed and recommendations provided</p> <p>1.2 Review of sustainability issues in 2006-10 national social and economic plan completed areas for 2011-2020 strategy and 2011-2015 five year plan identified (including review of past MPI experiences with sustainable development planning and technical support from UNDP and others to identify lessons and recommendations)</p> <p>1.3 Pilots of sustainability appraisal of social and economic development plan at provincial level (e.g. Red River and Mekong Delta areas most affected by climate change).</p> <p>1.4 Sustainable development and climate change planning tools implemented by MPI for line agencies and provinces, and training provided</p> <p>1.5 Guidance implemented by MPI for integration of SD and CC into private sector investment [both domestic and foreign]</p> <p>1.6 Compliance of sustainability planning through monitoring and evaluation</p> <p>1.7 Sustainability planning implemented through planning processes and changing structure of MPI (e.g. regulations and draft Bill on Integrated Planning etc)</p>	<p>1. Number of agencies using appraisal tool for programme development and implementation². Number of development projects incorporating SD and climate change strategies</p>	<p>1. Few agencies aware of, and using, SD tools to integrate social, economic, and environmental considerations (including climate change) into plans and programmes². Few SD and climate change issues incorporated in the design and implementation of development project³. Ineffective M&E mechanisms national and provincial levels</p>	<p>1. By 2010, all agencies using sustainability appraisal for program development and implementation². By 2010, all agencies and developers held accountable for integrating SD and CC into plans</p>	<p>1. Monitoring & evaluation based on agreed targets and indicators². Self-assessments</p>
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<p>Output 2: Decision-makers and public equipped with knowledge and tools to change behavior on SD and CC/Energy</p> <p>Activities:</p> <p>2.1 Lessons learned from UNDP's previous support to MPI reviewed for research and advocacy</p> <p>2.2 Regular national Conference on Sustainable Development organized (2008 focus on climate change) and recommendations for follow-up conference developed and disseminated</p> <p>2.3 National and international research and policy institutes engaged to undertake research, analysis, pilot interventions on SD/CC/energy and support provided to MPI's research capacity [e.g. Institute of Development Strategy, Centre of Economic Management</p> <p>2.4 Based on review of MPI's comparative advantage, innovative advocacy campaigns launched on key sustainable development issues, including CC, by government institutions (e.g. infrastructure, construction, transportation, etc.) and other key stakeholders engaged on SD issues (including major groups and fatherland front)</p>	<p>1. Reduced energy consumption, increased use of low carbon products, increased CDM investment, higher priority for sustainable development through opinion polls. Number of provincial and national consultations and learning workshops held with key stakeholders, targeting energy use and energy health linkages2. Number of media activities targeting SD-CC linkages</p>	<p>1. Lack of research and advocacy campaigns targeting CC and SD issues</p>	<p>1. By 2010, advocacy campaigns (including media and national conference) launched to educate public on key SD-CC issues.2. By 2010, research, case studies completed to influence policy development.</p>	<p>1. Stakeholder surveys and opinion polls2. Evaluations from consultation workshops3. Qualitative analysis of media campaign and government public participation processes.</p>
<p>Output 3: Strengthened capacity for sustainable development planning, including climate change</p> <p>Activities: 3.1 Institutional responsibilities within MPI clarified for SD planning, including CC [including entry-points for enhanced collaboration between MPI departments (i.e. DSENRE, etc.)]</p> <p>3.2 Instructional linkages between MPI and DPIs enhanced for sustainable development and climate change</p> <p>3.3 Job descriptions, human resources strategy, and performance appraisal analyzed and indicators for sustainable development recommended for MPI and selected DPIs</p>	<p>1. Number of cross-sectoral guidelines and policies developed and implemented promoting SD coordination at national, local level2. Number of provincial and national agencies</p>	<p>1. Lack of coherence and understanding of institutional roles/responsibilities2. Lack of coordination amongst planning agencies on SD 3. Low results-</p>	<p>1. By 2010, all MPI staff able to undertake sustainable development planning. 2. By 2010, MPI, DPI, and other agencies sharing lessons learned and coordinating</p>	<p>1. Capacity assessments and diagnostic studies2. Performance appraisals3. Participatory assessment of training workshops</p>

<p>3.4 Capacity assessment of key MPI departments conducted (including DSENRE, SDO, General Department, Planning Department, etc.) and training provided</p>	<p>sharing good practices and lessons³. Number of training workshops provided to key sector agencies targeting capacity gaps⁴. Significant improvement in staff knowledge, skills and attitudes on the importance of SD</p>	<p>based performance for key staff</p>	<p>activities³. By 2009, all required positions filled and staff trained.</p>	
<p>Output 4: More effective coordinated institutional framework for SD and climate change/energy</p> <p>Activities:</p> <p>4.1 Institutional review conducted to improve coordination amongst agencies on sustainable development, and climate change</p> <p>4.2 National mechanism for coordinating and implementing SD, including CC, operationalized</p> <p>4.3 Provincial level mechanisms for coordinating and implementing SD, including CC, operationalized</p> <p>4.4 Review of donor activities involving sustainable development and climate change completed</p>	<p>1. Number of cross-sectoral guidelines and policies developed and implemented promoting SD coordination at national, local level</p>	<p>1. Poor coordination and duplication of activities amongst agencies, donors</p>	<p>1. By 2009, entry-points identified and guidelines on agency coordination disseminated. 2. By 2010, coordinating mechanism functional, with agencies/donors collaborating and sharing information on programmes and policies for sustainable development</p>	<p>1. Institutional surveys, reviews². Monitoring & evaluation based on agreed targets and indicators³. Participatory assessment agencies and donors</p>

ANNEX 2: ANNUAL WORK PLAN (2008)

ANNEX 3: PROJECT BUDGET

ANNEX 4: TERM OF REFERENCES FOR KEY POSITIONS