

Local Project Appraisal Committee (LPAC) Minutes: Consolidated Comments & Responses

Project: Energy Efficiency Improvement in Commercial and High-Rise Residential Buildings in Viet Nam (EECB)

Subject: Virtual Appraisal launched April 3, 2015

Chairperson: Bakhodir Burkhanov, UNDP Deputy Country Director



Members: Nguyen Trung Hoa (NIP representative), Nong Hong Hanh; Nguyen Thi Mai; Sarwat Chowdhury; Nguyen Bui Linh; Jean Munro; Nguyen Hong Nguyen; Babul Azad; Tran My Hanh, Nguyen Thu Hoai, Phan Trong Dam, Tomislav Condic

Comments received from: ; Nguyen Thi Mai; Sarwat Chowdhury; Nguyen Bui Linh; Jean Munro; Nguyen Hong Nguyen; Babul Azad; Tran My Hanh, Nguyen Thu Hoai, Phan Trong Dam, Tomislav Condic

Confirmed no comment from: Nguyen Trung Hoa, Nong Hong Hanh

Minutes taker: Vu Thi Thu Hang

#	Entry	Comment/suggestion	Response
1.	Project Scope	The project scope is too ambitious project scope with 3 components consisting of 4 outcomes and 13 outputs. It's suggested to consider project outcome and outputs and make it attainable within the time and resources	Noted the observation and suggestion. The design of project components and outputs remains unchanged as it was already covered in the Project Identification form (PIF) approved by GEF
2.	Cover Page (with brief description)	The expected start date of January 2016 should be re-consider	Noted. The expected start date is feasible since it is based on the best estimation of duration needed for GEF review and endorsement (May – June 2015) and Government review and approval process (within 6 months upon GEF endorsement in practice)

#	Entry	Comment/suggestion	Response
		It is suggested to check the Programme period and the reference to the One Plan III since the period is for 2012-2016 and this proposed project is set for 2016-2019. It is suggested to mention Sustainable Development Goals	Noted the observation. The project concept was designed and approved by GEF within the OPIII period. The expected start date of the project is still within this period.
3.	Annual Working Plan – AWP, Project Budget	Annual total budget for each outcome should be added to display the proportional allocation for each year	Agreed and added (Section III-Budget and Work plan)
		Budget note (page 75), number 1: 45,000 USD for 32 staff week, international consultants. It means 1,405 USD/week/consultant or equivalent to 281 USD/day, this rate is well below the rate for international consultant	Agreed and corrected (\$45,000 is estimated for 12 staff week)
		Total amount for the Travel line for 2 years - under “Project Management Unit” showing 5,500 + 5,000 = 15,000 is incorrect	Agreed and corrected
		UNDP IMPLEMENTATION SUPPORT SERVICES is mentioned with no reference made to it, presenting ISS amounts totaling of \$16,000 . No relevant LOA found attached in ProDoc. Current Cost Recovery line: “74500 UNDP Cost Recovery Charges” – with the note “Cost recovery for UNDP’s services” with amount US\$4,000 each year, totaling of \$16,000 should be reviewed and validated in line with GEF-specific rules for meeting eligibility	Noted the comments. The Letter of Agreement- LOA between UNDP and the Government for the provision of support service was already signed by UNDP and the Ministry of Construction
		DPC budget account codes for eligible estimated actual or transaction based costs should be: “64300- Direct Project Costs – Staff” and “74500-Direct Project Costs – GOE” as appropriate	Agreed. The current code-74500 is in line with the suggested “74500-Direct Project Costs – GOE” (Budget (Note No. 35)

#	Entry	Comment/suggestion	Response
		Responsible Party for UNDP's services requested by IP and activities implemented by UNDP such as evaluations, audit should be UNDP	Agreed and added UNDP as responsible party for relevant services/activities (see Section III: Budget and Work plan)
		It is requested to clarify if individual Contract is national and international consultant	Individual contract is referred to contractual national staff supporting the implementation of project activities. The budget note already provides description and explanation
		There is a question if there is estimation of detailed budget and work-plan for the co-financing, this will provide information on where the remaining project budget goes	The "Summary of Fund" table (page 69) provides the breakdown of the annual co-financing budget. The confirmed co-financing letters provide details of activities/elements contributed by co-financiers. This is not included in the Total Budget and Work-plan since the co-finance budget will not be managed by UNDP.
4.	Management arrangements	Project Steering Committee: In addition to playing the oversight and direction functions as reflected in the Project Document, the PSC plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Project reviews by PSC are made at designated decision points during the running of the project, or as necessary when raised by the Project Manager. The PSC should be consulted by the Project Manager for decisions when Project Manager's tolerances (normally in terms of time and budget) have been exceeded. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the projects and external bodies, and mobilize support from other agencies/organization as/if necessary	Agreed and added the suggested additional roles to PSC's functions

#	Entry	Comment/suggestion	Response
		during the implementation period.	
		MOC should be defined as Implementing Partner - given that the term Executing agency no longer exists as per UNDP POPP Project Management terms and definitions. MOIT, MOF, MOST should be defined as Responsible Parties who, as I understand, are selected to act on behalf of the Implementing Partner on the basis of a written agreement or contract to provide services on selected outputs and activities	Agreed and revised
		Working and reporting mechanism: With the involvement of different government agencies and private partners involved in project implementation, it is crucial that a clearly defined coordination and reporting mechanism within the project organization structure be in place to ensure effective communication and smooth implementation to achieve the expected results	Noted. The Project Organisation structure and the Para 135 and para 138 already give description of the final responsibility of the National Project Director to project management and achievement of result and to ensure coordination with national government agencies and stakeholders. Agreements on such partnership will specify coordination and reporting mechanism.
		<p>Project Financial Assurance: As UNDP is selected to act as the Implementing Agency for this project, it is a normal practice that the project follows UNDP Project Assurance procedures.</p> <p>Since UNDP has become a full HACT compliant, so this project, like other UNDP NIM projects, is subject to complying with HACT assessment and assurance actions in line with UNDG HACT framework and UNDP POPP HACT guidelines. Based on the current programme cycle 2012-2016's MA result of MOC with low risk rating (with no adjusted risk rating available as of now), direct cash</p>	Agreed and added. Text on compliance to HACT, micro assessment results and subsequent quality assurance activities, cash transfer modality and are added (Part IV on M&E and Table 12)

#	Entry	Comment/suggestion	Response
		<p>transfer modality with one internal control audit per programme cycle and one spot check per implementation year would probably be applicable.</p> <p>The method for cash transfer modality for IP (i.e. advances, reimbursement, and direct payment) seems not specified as required, and justified based on adjusted risk rating for IP</p> <p>Indicative cost for audit 3,000 (12,000 total for 4 years) for Audit Firm each year should be reviewed for more accurate budget estimation, which should be based on the coverage, type and frequency of audits, guided by the overall risk rating associated with the IP</p>	
5.	Monitoring Framework and Evaluation with an emphasis on SMART outputs and indicators	No comment	
6.	Legal Context (only if there are deviations from standard language)	NA	
7.	Risk analysis	It is suggested to add solutions or planned actions to mitigate the risks	Noted. The planned actions by the project are already covered in "Mitigation Measure" Column for each identified risk
8.	Terms of references	<p>TOR for personnel positions:</p> <ul style="list-style-type: none"> - The reporting lines (supervision) for Project Manager, Project Admin Assistant, Project Accountant should be specified in the TOR. - TOR of Project Accountant: Qualification and 	Agreed and revised (Annex F)

#	Entry	Comment/suggestion	Response
		<p>experience “The incumbent should have at least a Bachelor degree in any discipline from a recognized university” – it is suggested to indicate “the bachelor degree in finance“ NOT general as AA post</p>	
		<p>Is that appropriate to include TOR of Consultants and experts in the team of project personnel?</p>	<p>Noted the comment. The TORs for consultants and experts are put in a different section with those for project personnel. Annex F (TOR) consists of three separate sets of TORs including i) Key Project Management Post; ii) national consultants and iii) international consultants</p>
		<p>There is estimated cost for support services for recruitment of International Technical Specialist – However, TOR of this position was not included in annex</p>	<p>Agreed and added TOR for the position (page 88)</p>
<p>9.</p>	<p>Capacity assessment of the IP (completed in advance of the LPAC meeting)</p>	<p>No comments</p>	<p>Done</p>
<p>10.</p>	<p>Social and Environmental Screening</p>	<p>Risk 3: Risk due to Climate Change impacts: It is suggested to re-write a sentence relating to management measures for clearer meaning.</p> <p>Risk 4: Health and safety risks during construction and operation. It is suggested to rate the significance of risk as “Moderate” instead of “Low”</p>	<p>Agreed and revised</p> <p>Noted the suggestion. The rating is unchanged. “Significance of the risk” is “Low”. Based on the guidelines for rating, the impact of this risk is minor as it has impacts on a small number of people within a short duration (just during installation of EE equipment) and may be managed and mitigated</p>

#	Entry	Comment/suggestion	Response
		<p>Question 4- Overall Project risk categorization: it is suggested to add the communication activities as mitigation measure.</p> <p>Question 5: It is suggested to select "<i>Climate Change Mitigation and Adaptation</i>" as a relevant requirement of the social and environment screening (SES)</p> <p>Question 5: It is suggested to select "<i>Community Health, Safety and Working Conditions</i>" as a relevant requirement of the social and environment screening (SES)</p>	<p>Agreed and added</p> <p>Agreed and added</p> <p>Noted. The suggested requirement is not selected since this is not relevant risk that the project is anticipated to lead to.</p> <p>The final SESP is now attached to the ProDOc as Annex G (page 91 -99)</p>
11.	Cross-cutting issues	<p>Following activities are suggested to mainstream gender in the project:</p> <ul style="list-style-type: none"> • Conduct research on public awareness and attitude to energy efficiency and energy loss in buildings. • Capacity development for women to be specialist technicians, construction workers & operators. This in line with UNDP's objective of "<i>reducing gender inequality and promoting women's empowerment</i>" and output (4.4) of "<i>Measures in place to increase women's participation in decision making.</i>" • Use of women's groups as knowledge transfer outreach • Gender mainstreaming hiring practices for project staff by: 	<p>Noted and the suggested activities will be considered or undertaken during the project implementation, specifically:</p> <ul style="list-style-type: none"> - A paragraph covering gender benefit and consideration is added (Para 134- page 52) - The inclusion of women in the project's capacity building programmes will be emphasise and undertaken in the training-of-trainers courses. - Gender mainstreaming will be considered in supporting the MOC to develop relevant policies, strategies and action plans - The qualification regarding experiences and knowledge of gender equality and responsibility of

#	Entry	Comment/suggestion	Response
		<ul style="list-style-type: none"> - Give preference to women candidates to ensure equal representation in decision making positions of the project. - Add to TORs or job description of Project Director, Deputy Project Director, Project Manager and Experts the following lines under Qualifications "Familiarity with UNDP gender equality strategy is an asset" and "Demonstrated understanding and experience of gender equality issues in energy efficiency construction", "Previous experience in gender mainstreaming in policy development" and under Duties and Responsibilities "gender mainstream in project design, implementation and monitoring" • Supporting government partners to have gender policies such as the MOC (this is in line with GEF gender mainstreaming policy which requires that "In order to be eligible to receive GEF financing for GEF projects, all GEF Partner Agencies will be required to have established either (a) policies, (b) strategies, or (c) action plans that promote gender equality 	<p>gender mainstreaming in project implementation and monitoring are added to the relevant parts of the TOR of Project Manager (Annex F).</p>
12.	Situational analyses (<i>non-CPAP country project document format</i>), issue log	<p>The mentioning of economic growth rate in the years 90s and 2000s are out of date</p> <p>it's a bit awkward to have estimated figures for building stock in Viet Nam for previous years from 2010 - 2014</p> <p>It is suggested to cite the actual figure for GDP growth rate</p>	<p>Noted. However this shows the trend</p> <p>Noted the comment. The primary data on building stock in Viet Nam is not available. The project preparation team had to estimate based on reports published by CBRE, Colliers and Savills</p> <p>Agreed and revised (para 5- page 5)</p>

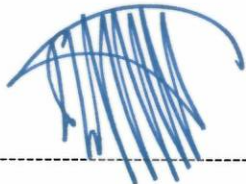
#	Entry	Comment/suggestion	Response
		in 2014 which is 5.89% rather than to use the projected figure by the World Economic Outlook	
		Para 1: Is the Da Nang in the same category as Ha Noi and HCMC? I would suggest putting Da Nang, Hai Phong, Hue etc in a second category of mid-sized cities where there is better scope of sustainable urban planning esp. in the construction sector	Noted. The project does not consider the type of cities for its intervention. The mentioning of Hanoi, HCMC and Da Nang is just an example of building industry development in large cities
		Para 3 and 4: It is suggested to quote emission figures from BUR 2014 as this provides more recent data in addition to that of Second National Communication	Agreed and added relevant figures from BUR 2014
		<p>There is loose connection between baseline activities (table 4: Baseline Activities/Projects/Programs for the EECB Project) and component specific activities. What is the logic to address as 'baseline activities' – Is this agency specific ground activities before start the project?</p> <p>It is confusing among three - baseline analysis, baseline activities and baseline scenario. It is suggested to make one slot in connection with situation analysis and corresponding the project outcomes and outputs</p>	<p>Noted the comments. The project outcome and outputs section covers both baseline activities and incremental activities which constitute the GEF project activities</p> <p>For clarification, baseline analysis covers the ongoing initiatives to support or related to EE in buildings, Baseline scenarios covers the status of EE in buildings and baseline activities are activities which can be subsumed to the GEF activities</p>
		Baseline Analysis, para 18: It is suggested to add upcoming UNDP project (under formulation) on sustainable urban transport which has implications for urban energy efficient construction sector	<p>Noted the suggestion. The mentioned UNDP upcoming project is not included as baseline project since the project is at early stage of formulation and the fund for the project has not been committed yet.</p> <p>The baseline including relevant UNDP upcoming projects will be reviewed and updated during the inception phase.</p>
		Baseline, para 26: Does the project “Viet Nam Clean Energy	No. The VCEP does not set GHG targets but identify and

#	Entry	Comment/suggestion	Response
		Program (VCEP)" includes any GHG target setting for building sector as complementary to bench marking	compile energy consumption data of commercial and high-rise residential buildings that will serve as foundations for establishments of the building energy benchmarking systems
		It is suggested to add the project of the cement sector NAMA with MOC as baseline since this would be also relevant	Noted. The mentioned project will not be included as baseline since the project will complete in 2015 prior to the expected date of the GEF project. In addition, the project results do not have direct link to the GEF project activities.
		This table summarizing the barriers would be better to have a column on solutions/actions by this project to address these barriers	Noted the suggestion. The solutions/actions for each barrier are not added to the table since one barrier will be addressed by more than one intervention/action. The following section on Project Activities specifies which barriers are to be addressed under the corresponding outcome/output.
13.	<i>Strategy (non-CPAP country project document format)</i>	Table 6: It is suggested to add timeline to the estimated percentage of compliance with the revised building code accordingly baseline scenario (20%) and alternative scenarios (50%).	Noted the comments. The table 6 is a summary of the previous paragraph- para 39 which clearly mentions the year corresponding to baseline scenario and alternative scenario
		Para 54: Can you add a bit more on BRESL and how a GEF funded previous project leads to this project's potential application?	Agreed and added
		It is difficult to differentiate the contribution level of Output 1.1.1 to Outcome 1.1. E.g. (Outcome 1.1 : Enforced, improved and comprehensive policy, legal, and regulatory frameworks on the energy efficient design, construction and operation of commercial and high-rise residential buildings)	Noted. The design of the Outcomes and Outputs is consistent with the GEF approved PIF. The description of Output 1.1.1 and its activities demonstrate its contribution to the realization of Outcome 1.1

#	Entry	Comment/suggestion	Response
		(Output 1.1. 1. Improved and enforced implementing policy framework and regulations on EE in buildings, including revised/improved EE Building Code (EEBC), with a full EEBC compliance guide)	
		Output 2.1.1 (Formulated, approved, funded and implemented financial mechanisms and incentives to support EE efforts in the buildings sector and cost norms for construction) <u>is weighted than outcome 2</u> (Outcome 2: Increased local capacity in the EE design, construction and operation of commercial and high-rise residential buildings)	Noted. The design of the Outcome 2 and Output 2.1.1 is consistent with the approved PIF, that contribute to the achievement of the “COMPONENT 2: Building Market Development Support Initiatives”. Available and implemented financial support mechanism will enable EE design, construction and operation of commercial and high-rise residential buildings and thus increased local capacity
		The action verb missing from output 3.1. (Output 3.1: Developed Five-year EE&C plans for the selected commercial and high-rise residential buildings)	Agreed and revised
14.	Results and Resource Framework <i>(non-CPAP country project document format)</i>	Both goal and objective level indicators are difficult to measure the target and progress. It is suggested to give the percentage to better measure the progress	Noted. The goal and objective level indicators (Cumulative CO2 emission and Cumulative energy savings respectively) will not be change since this follows GEF guidance (GEF5 Climate Change Strategy)
15.	Operational matters	<p>All UNDP contracted personnel, regardless of type of contract (unless it is daily wages contract) must operate under Viet Nam Minimum Operating Security Standards (MOSS) and Minimum Residential Security Standards (MORSS).</p> <p>All consultants, guests and visitors should be reported to UNDSS upon arrival and departure, and should receive security briefing</p>	Agreed. Actions will be taken during the project implementation in keeping with existing security procedures and training in place for all UNDP international staff or consultants

#	Entry	Comment/suggestion	Response
		<p>Offices situated outside UNDP premises (government agencies, universities, etc) should undergo a “site-specific assessment” by UNDSS Viet Nam. This may incur some additional costs, depending on the assessment. Please check your MOSS, item 6.3 attached for more details</p>	<p>Noted and this will be undertaken during the implementation of the project in case UNDP contracted International Technical Specialist will be based in Project Management Unit (PMU) office.</p>
		<p>While organizing conferences, workshops, meetings, trainings and other large gatherings, it is recommended to invite UNDSS country team to carry out specific assessments for the venue. UNDSS may recommend additional security measures, which in return can add some costs. For example, additional considerations may include guards for access control, costs of cooperation with national police (sometimes they insist that we pay per diem), reserved parking space for support (ambulance, police, etc), or even leasing of specialized equipment such as x-ray machine or metal detector.</p>	<p>Noted the observation and suggestion. Such arrangement will be undertaken by UNDP common service and in compliance with the office security procedure. However, under the current design, most of the workshops, meetings and events will be organised by the Project Management Unit led by Ministry Construction (MOC)</p>

The Minutes captures all LPAC members’ detailed comments and suggestions, clearly indicates responses explaining undertaken revisions to be reflected in the Prodoc-AWP. The LPAC Minutes is endorsed by LPAC Chairperson and all designated members.



Date: 20/5/2015

Bakhodir Burkhanov, Deputy Country Director, UNDP