

TECHNICAL & FINANCIAL FILE

GREEN GROWTH STRATEGY FACILITY
(GGSF)

VIETNAM

DGD CODE : NN 3012435

NAVISION CODE : VIE 11 041 11



THE BELGIAN
DEVELOPMENT COOPERATION **.be**

TABLE OF CONTENTS

ABBREVIATIONS.....	4
EXECUTIVE SUMMARY	8
ANALYTICAL RECORD OF THE INTERVENTION	11
1 SITUATION ANALYSIS.....	13
1.1 INTRODUCTION	13
1.2 THE INSTITUTIONAL FRAMEWORK	15
2 STRATEGIC ORIENTATIONS	18
2.1 PROBLEMS TO BE ADDRESSED	18
2.2 BARRIERS AND CONSTRAINTS TO GREEN GROWTH.....	19
2.3 COOPERATION PRINCIPLES.....	20
3 INTERVENTION FRAMEWORK	23
3.1 GENERAL OBJECTIVE.....	23
3.2 SPECIFIC OBJECTIVE.....	23
3.3 EXPECTED RESULTS	23
3.4 ACTIVITIES	25
3.5 INDICATORS AND MEANS OF VERIFICATION	32
3.6 DESCRIPTION OF BENEFICIARIES	35
3.7 RISK ANALYSIS	35
4 RESOURCES	47
4.1 FINANCIAL RESOURCES.....	47
4.2 HUMAN RESOURCES	49
4.3 MATERIAL RESOURCES	50
5 IMPLEMENTATION MODALITIES.....	51
5.1 PHASING OF THE PROJECT	51
5.2 IMPLEMENTATION AND FOLLOW-UP STRUCTURES	51
5.3 MANAGEMENT MODALITIES	57
6 CROSS CUTTING THEMES	69

6.1 ENVIRONMENT.....	69
6.2 GENDER.....	71
6.3 POVERTY REDUCTION AND POVERTY ALLEVIATION.....	71
6.4 CHILDREN’S RIGHTS.....	72
6.5 HIV / AIDS.....	72
7 ANNEXES.....	73
7.1 LOGICAL FRAMEWORK.....	74
7.2 CHRONOGRAM & BUDGET.....	80
7.3 TOR LONG-TERM PERSONNEL.....	83
7.4 LIST OF ACTIVITIES DURING SET-UP AND PILOT-PHASE.....	111
7.5 DONOR MAPPING.....	111
7.6 DRAFT ELIGIBILITY AND SELECTION CRITERIA FOR ACTIONS SELECTION.....	111
7.7 DRAFT CONTRACT STRUCTURE FOR ACTIONS SELECTED.....	117
7.8 DRAFT CONTENTS GUIDELINES CALL.....	122
7.9 DRAFT WORK FLOW IN A CALL (EXAMPLE).....	125
7.10 INDICATORS METHODOLOGY (CONTRIBUTION TO BE FURTHER DEVELOPED DURING BASELINE STUDY).....	128
7.11 ACTION SELECTION MECHANISM DESIGN CONSIDERATIONS.....	130
7.12 SECTOR SELECTION CRITERIA (TO BE DEVELOPED DURING BASELINE).....	131
7.13 DRAFT OUTLINE OF THE PROCEDURES FOR SHORT TERM ACTION PROPOSAL SELECTION.....	133
7.14 GREEN SECTORAL DEVELOPMENT PLANS: A CASE.....	135

ABBREVIATIONS

ADB	Asian Development Bank
AIDS	Acquired Immuno Deficiency Syndrome
AIF	Asia Investment Facility
AUSAID	Australian Agency for International Development
BAT	Best Available Technique or Best Available Technology
BEP	Best Environmental Practice
BTC	Belgian Technical Cooperation
CDM	Clean Development Mechanism
CIC	Climate Innovation Center
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DAC	Development Assistance Committee
DANIDA	Danish International Development Assistance
DCCEE	Department of Climate Change and Energy Efficiency (Australia)
DGD	Directorate General of Development Cooperation
DPI	Department of Planning and Investment
DSENRE	Department of Science, Education, Natural Resource and Environment - MPI
EC	European Commission
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EPI	Environmental Performance Index
EUR	Euro
FI	Financial Intermediaries
FOM	Facility Operational Manual
GEF	Global Environment Facility
GESF	Green Economy Support Facility (now changed to GGF)
GETS	Green Economy Technical Support
GGF	Green Growth Facility
GGGI	Global Green Growth Institute
GGS	Green Growth Strategy
GGSF	Green Growth Strategy Facility
GHG	Greenhouse gas
GI	Green Industry
GO	Government Office

GoV	Government of Vietnam
GSO	General Statistics Office
HIV	Human Immunodeficiency Virus
HQ	Headquarters
HR	Human Resources
HRPC	Vietnam Handicraft Research and Promotion Center
IEDE	International Environmental & Development Economist
IEFM	International Expert Financial Matchmaking
JICA	Japanese International Cooperation Agency
JSC	Joint Stock Company
KOICA	Korea International Cooperation Agency
LOCAD	Local Communication and Dissemination officer
LOCTEND	Local Tender Specialist
LTA EDE	Local Environmental Economist
LTAM&E	Local Monitoring and Evaluation specialist
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MDG	Millennium Development Goal
MLBGP	Medium to Large-scale BioGas Plants
MOC	Ministry of Construction
MOD	Ministry of Defence
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOH	Ministry of Health
MOIT	Ministry of Industry and Trade
MONRE	Ministry of Natural Resources and Environment
MOPS	Ministry of Public Security
MOST	Ministry of Science and Technology
MOT	Ministry of Transport
MPI	Ministry of Planning and Investment
NCCC	National Committee on Climate Change
NGO	Non-government Organization
Nox	Nitrous Oxides
NPV	Net Present Value
NSDC	National Sustainable Development Council

O&M	Operation and Maintenance
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PADCO	Planning and Development Collaborative International
PM	Policy Matrix or Prime Minister
PMU	Project Management Unit
POM	Project Operational Manual
PPC	Provincial People's Committee
QCC	Quality Control Committee
Res. Rep.	Resident Representative
R&D	Research and Development
RCEE	Research Centre for Environment and Economy
REDD	Reducing Emissions from Deforestation and Forest Degradation
SC	Steering Committee
SEDP	Socio-Economic Development Plan
SEDS	Socio-Economic Development Strategy
SNV	(Stichting Nederlandse Vrijwilligers) Netherlands Development Organization
Sox	Sulfur Oxide
SP-RCC	Support Program to Respond to Climate Change
STA	Short Term Actions (non-call based funding available in result 1)
TA	Technical Advisor
TFF	Technical and Financial File
TOR	Terms of Reference
TSU	Technical Support Unit (of project NN 3012429)
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNIDO	United Nations Industrial Development Organization
(UP)-POP	(Unintentionally Produced) Persistent Organic Pollutant
USAID	United States Agency for International Development
VCCI	Vietnamese Chamber of Commerce and Industry
VDB	Vietnam Development Bank
VDG	Vietnamese Development Goals
VGBC	Vietnam Green Building Council
VIRI	Vietnam Rural Industries Research and Development Institute
VN	Vietnam

VNCPC Vietnam Cleaner Production Centre
WB World Bank

EXECUTIVE SUMMARY

Supporting Green Growth in Vietnam

The green growth strategy of Vietnam is motivated by the understanding that the efficiency of the use of natural resources can be improved and that climate change is an increasingly crucial topic to Vietnam requiring actions both in the fields of adaptation and mitigation. The awareness is growing that Vietnam faces increasing problems related, at least, to air pollution, water pollution, poor energy efficiency and waste management. The Vietnamese green growth strategy is launched against a backdrop of expected reductions in donor funding in Vietnam, and a few years of relatively low economic growth, requiring a revitalization of Vietnamese economics in a competitive environment.

To reflect and emphasize the alignment of the project with the adopted Vietnamese green growth strategy, the Green Economy Support Facility (GESF) has become the Green Growth Strategy Facility (GGSF). The Green Growth Strategy Facility aims at supporting the Vietnamese Government in the implementation of its Green Growth Strategy and the setup of the related Facility. To do so, it will develop a model that is designed to be attractive and easy-to-use for other donors.

The GGSF falls under the Focal Sector 1 of the ICP 2011-2015: Support for “Water and Sanitation Management in the Framework of Urbanization and Climate Change.” Specifically, it will contribute to the following expected outcome of the ICP: “Increased exchange of know-how between Belgium and Vietnam in the area of climate change mitigation, low carbon development, and sustainable urban planning.”

Project’s strategy and approach

The project translates in action the will of Vietnam to create a Facility aiming at implementing the Green Growth Strategy of Vietnam officially approved on 24th September 2012. The present project is therefore to be seen as a support to the creation and implementation of this Facility through a bilateral intervention. Earlier efforts to improve Vietnam’s environmental performance have shown that there are some significant barriers that will need to be overcome. This includes information constraints, lack of access to funding for necessary investments, lack of incentives and lack of enforcement of existing environmental regulations. The project’s strategy aims at addressing these barriers hindering green growth and demonstrating how policies could be formulated and implemented to remove or alleviate them. Following the lines of the Identification sheet and of the Green Growth Strategy, activities for barrier removal that will be supported by the GGSF include awareness raising, training and capacity building, policy and sectoral studies, pilot projects and case studies, creation of supporting financial instruments (such as investment guarantees), and the development of complete green action plans at sector and provincial level. In order to promote synergies and cross-fertilization, the provinces of the future climate change program of the Belgo-Vietnamese cooperation will be considered as pilot provinces for the development of green actions in the framework of the support to the Facility.

Priorities on green growth are likely to change over time. Thus, a flexible demand driven approach is called for, in which the Vietnamese partner is in the driver’s seat. Capacities enforcement of the MPI and related stakeholders in the field of management and decision-making will be key to the success of the project.

The project, which can be considered as “pilot”, will pay special attention to lessons learned,

capitalization and communication activities in order to guarantee sufficient information of all partners and stakeholders, and incite donors to join the Facility mechanism. Belgium is at this stage the first bilateral donor to support the creation and implementation of the Green Growth Facility.

Intervention logic

The proposed Global and Specific objectives are based on the proposals of the Identification sheet which have been shortened and simplified for easy-use reasons. The Global objective is “The Vietnamese green growth strategy is implemented” and the Specific Objective is “A facility to support the implementation of the Vietnamese Green Growth Strategy enables Green initiatives”.

The specific objective will be achieved through the following 5 results:

1. A support facility is created and developed. This result includes the development of the Facility including all its operational rules and procedures as well as management structure, its subsequent improvement through monitoring and evaluation during the implementation of the calls for proposals;
2. Green growth capacity & MPI leadership increased: general capacity building for MPI and the ministries in the Green Growth Coordination Committee is foreseen. For MPI, the project will support capacity building processes and activities to increase its leadership and coordination role in the field of implementing the strategy;
3. Piloting activities in three provinces are supported. In the 3 provinces where the Belgian bilateral cooperation is building up extensive experiences in CC related interventions piloting activities in the field of Green Growth will be supported by developing or improving their green action plan and realizing concrete intervention to implement it;
4. The Facility supports, through a call for proposals, green growth initiatives throughout the country;
5. Good practices disseminated and replicated: identification, dissemination and replication of existing good/best investment practices resulting in actual replications of investments that have already been completed. This result is primarily aimed at harvesting the low hanging investment opportunities (win-win solutions that are both economically and environmentally sound) and ensuring their widest possible dissemination and replication.

Project's set up

The GGSF project is designed to prepare, install and support the Green Growth Facility of Vietnam which should be easy to use and flexible. In order to achieve flexibility, this Facility will be a demand-driven support mechanism for green growth in Vietnam. The Facility will develop a call for proposals mechanism to select, in a bottom-up way, actions for funding in the field of green growth. The Facility will be set up in such a manner that it is easy for other donors to join.

Considering the complexity of the issue of green growth and the fact that no previous project in Vietnam may serve as a baseline or example, the project will be organized as follows :

- A 6 months **set-up phase** aiming at installing the project physically (office space, procurement..), organize the financial and administrative matters through the writing of the Project Operation Manual (POM), appoint and recruit the project's staff. The results of the set-up phase, including the baseline survey shall be communicated;

- A 18 months **pilot phase** during which the Facility will be set up through the development of specific studies and the redaction of the Facility Operation Manual – (FOM). The main stakeholders will be trained, while Green procurement activities and concrete management tools (incentives and control) will be developed. During that phase, a baseline study will be conducted by experts in order to select (on the basis of the short-list provided in the Formulation document and of pre-defined criteria) the sectors targeted for the calls launched through the project's mechanism as well as the detailed terms of reference for the calls. As a pilot exercise, Green Action Plans support activities at Province level will be launched among the 3 provinces supported by Climate Change program of the Belgian cooperation. Short Term Actions (STA) will also be financed through the seed fund to support pilot projects in those provinces or capacity building promoting green initiatives and offering small scale examples of what the Facility could be used for. A mid-term review shall be conducted at the end of this phase.
- A 42 months **operational phase** during which the Facility will be implemented, amongst other through actions aiming at alleviating the barriers to green growth. Other activities such as stakeholders coordination, training, communication and capitalization will also take place, outside of the calls themselves (on-going activities). The final review shall take place before the end of this phase;
- A 6 months **closure phase** aiming at closing administratively and financially all actions initiated and at preparing the final reports.

In order to achieve these phases timely and in an efficient manner, the project will rely on local and international staff. Vietnamese staff will be partly appointed and financed by MPI and partly recruited through the project's structure. The international staff, not permanent, will be financed through the project and will provide the needed high level expertise to enforce capacities of MPI in the field of green growth management and to support the decision making and coordination processes of both the GGSF and the GGF, at least in a first stage. The objective being that before the end of the project, MPI is in a position to fully manage the Facility and the funds allocated by Vietnam and the donor community. Terms of reference for the proposed positions are annexed to the present document.

The project's budget is of 5 Million euros over a period of 6 years (72 months). The Vietnamese contribution is of 500,000 € to be contributed for the support of the Facility (300,000 €), as well as for staff, capacity building, communication and consultancy activities (200,000 €).

The GGSF will be implemented by a PMU under the direction of DSENRE/MPI, and under the supervision of the Steering Committee. Technical support will be provided by BTC, on behalf of Belgium.

ANALYTICAL RECORD OF THE INTERVENTION

Title of the intervention	Green Growth Strategy Facility (GGSF)
Intervention number	NN3012435
Navision Code BTC	VIE 11 041 11
Partner Institution	Ministry of Planning and Investment (MPI), Department of Science, Education, Natural Resources and Environment (DSENRE)
Length of the intervention	6 years : <ul style="list-style-type: none"> • Set-up 6 months • Implementation 60 months, split into a pilot-phase of 18 month and an operational phase of 42 month including dissemination, replication and evaluation; • closure : 6 months
Date of the intervention	Mid 2013
Contribution of the Partner Country	500,000 EUR
Belgian Contribution	5,000,000 EUR
Sector (DAC codes)	41010
Brief description of the intervention	The intervention involves assistance to MPI in setting up and coordinating a Green Growth Facility to support the implementation of the recently approved Vietnamese Green Growth Strategy through learning from pilot activities and the funding of several green growth actions through this facility. All these activities will be supported with technical expertise to provide additional strategic inputs.
Global Objective	The Vietnamese Green Growth Strategy is implemented
Specific Objective	A Facility to support the implementation of the Vietnamese Green Growth Strategy enables Green initiatives

Results	<ol style="list-style-type: none"> 1. <u>A support facility is created and developed.</u> This result includes the development of the Facility including all its operational rules and procedures as well as management structure, its subsequent improvement through monitoring and evaluation during the implementation of the calls for proposals; 2. <u>Green growth capacity & MPI leadership increased:</u> general capacity building for MPI and the ministries in the Green Growth Coordination Committee is foreseen. For MPI, the project will support capacity building processes and activities to increase its leadership and coordination role in the field of implementing the strategy; 3. <u>Piloting activities in three provinces are supported.</u> The 3 provinces where the Belgian bilateral cooperation is active in the field of climate change are supported in the field of Green Growth; 4. <u>The Facility supports, through a call for proposals, green growth interventions throughout the country;</u> 5. <u>Good practices disseminated and replicated:</u> identification, dissemination and replication of existing good/best intervention practices are completed. This result is primarily aimed at harvesting the low hanging investment opportunities (win-win solutions that are both economically and environmentally sound) and ensuring their widest possible dissemination and replication.
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1 SITUATION ANALYSIS

1.1 Introduction

1.1.1 Vietnam's Green Growth Strategy

Vietnam's Green Growth Strategy has been formulated against a backdrop of an increased international interest in green growth, evident in the Rio+20 Conference in June 2012. Qatar announced to be joining the Global Green Growth Institute (GGGI), while the OECD has drafted a report ("Green Growth and Developing Countries"), which is now up for consultation and which is to be finalized in December 2012. This report outlines among others policy instruments and institutional mechanisms to achieve or support green growth. Vietnam's green growth strategy is therefore taking place in a context of increasing international interest in green growth, and with an increasing wealth of information and experiences that can inform Vietnam's Green Growth Strategy.

The Green Growth Strategy has been through a series of consultation rounds involving other ministries, private sector, and the donor community. It has been adopted on the 24th of September 2012. The strategy adopted recognizes 3 main tasks:

1. Greening of existing production processes (greening production);
2. Reduce the intensity of carbon emissions of the economy (per a GDP unit) while promoting the use of clean and renewable energy (reducing greenhouse gas emissions, increasing low-carbon technologies (new and renewable energy), saving energy); and
3. Greening of lifestyle and promoting of sustainable consumption patterns (greening lifestyles and sustainable consumption).

The Vietnamese Green Growth Strategy employs a set of indicators and quantitative targets to measure progress. The key indicators per main task (objective) include among others :

1. Greening production

- Production value of high-tech industries in GDP
- New industrial facilities and business adopting cleaner production or equipped with pollution reduction and waste treatment devices
- Industrial facilities and business having certification of environmental standards

2. Reducing greenhouse gas emissions, increasing low-carbon technologies (new and renewable energy), saving energy

- Reduce CO2 emissions intensity per unit of GDP compared to 2010
- Reduce annual greenhouse gas emissions
- Overall energy savings in the system

3. Greening lifestyles and sustainable consumption

- Cities of grade III or higher having wastewater collection system and treatment plant meeting specified standards
- In cities of grade IV or V and trade villages, the proportion of waste water treated to meet standards prescribed

- Urban and rural population having access to clean drinking water

This list may be further elaborated as the Green Growth Strategy will be effectively implemented.

Vietnam's Green Growth Strategy takes place against a background of an expected reduction in donor funding now that Vietnam has achieved middle-income status. At the same time, there are significant challenges in the continuation of the previous economic growth model in Vietnam. For example, the World Bank comments that after 1986, Vietnam's growth was at first mainly thanks to productivity growth (without a large increase in capital and other production factors) mostly through improved incentives in agriculture and the impact of trade liberalization, whereas more recently, productivity growth accounts only for a very minor part of growth (See also Vietnam Development Report 2012, p.54). This is notable, because the Green Growth Strategy has an ambitious growth target and can be seen as a way to further speed up growth.

Green Growth and Green initiatives

The Vietnamese Green Growth Strategy of Vietnam relies on the assumption that a Green Economy is only achievable when a facilitating legal and economic framework exists to promote and support green initiatives. Green House Gases emissions, including CO₂, can only be reduced through a modernization of economic structures in the most polluting sectors and in the sectors that contribute most to the economy. Green initiatives relate to increased energy efficiency, transfer of cleaner technology, anti-pollution devices and techniques, waste and water management, promotion of alternatives in terms of urban transport, food processing, craft production, tourism infrastructures, etc...In order for green investments to happen, accompanying initiatives such as sensitization, awareness raising, training, demonstration and pilot projects, studies and research...have to be organized and financed.

1.1.2 Vietnam's past environmental performance

There is considerable evidence for the degree of environmental deterioration in Vietnam, which confirms the importance of embarking on a green growth strategy. For example, the Vietnam's National State of the Environment Report:

- Mentions that the economic costs of environmental pollution (a subset of all environmental issues) accounts for 1.5-3% of GDP;
- Details the very limited amount of natural land acreage per capita and agricultural land acreage per capita;
- Details the problem of saline water intrusion;
- Describes the issue of water pollution in especially the 3 river basins of Cau, Nhue - Day (in the North of Vietnam) and Dong Nai, (in the South of Vietnam); and
- Mentions the problem of pollution of air with dust in urban areas.

On a more positive note, the EPI – a general index of environmental performance comparing country performance based on a wide variety of parameters - showed an improvement from 2000 to 2010, from 48.4 to 50.6. (For comparison, the best performer in 2010 was Switzerland with a score of 76.7 (76.2 in 2000). The worst performer in 2010 was Iraq with a score of 25.3, and 25.6 in 2000.) This indicates that there is also some scope for optimism and that some progress has been made in Vietnam on at least some of the indicators that are used for international comparisons. Related to this, Vietnam is increasing its spending on environmental protection – see Politburo

Resolution No.41-NQ/TW

Based on discussions, review of the literature and surveys that have been conducted by different organizations, several factors can be identified that explain the past environmental performance of Vietnam. This includes:

- Lack of enforcement of environmental regulations due to lack of inspection and enforcement capacity;
- Lack of incentives to become greener;
- Lack of integration of EIA in investment project approval;
- Lack of awareness about cleaner technologies or greener production methods, including win-win solutions that benefit both the economy and the environment; and
- Lack of access to financing, combined with high interest rates.

All of these are important factors that explain past performance. Addressing these factors (barriers) is a key principle of the GGSF.

1.2 The institutional framework

In the official Decision N° 1393/QĐ-TTg of September 25th 2012 approving officially the Green Growth Strategy it has been decided that the implementation of the GGS will be managed through a newly created Steering Board under the existing National Committee on Climate Change (NCCC). The Ministry of Planning and Investment was assigned as the so called Standing Agency for the implementation of activities in relation to the Green Growth Strategy.

1.2.1 National Committee on Climate Change

The National Committee on Climate Change (NCCC) was established early 2012 and is chaired by the Prime Minister as Chairman and co-chaired by a Deputy Prime Minister and the Minister of MONRE. The committee is further formed by the minister of MPI, MOF, MOST, MOFA, MARD, MOD, MOPS, MOC, MOT, MOH, MOIT, and representatives from other agencies representing the research and academic communities and associations besides some grass root organizations.

The primary goal of the NCCC is to ensure stronger interdepartmental linkage on several cross cutting issue associated with impact and adaptation to climate change in Vietnam. Issues that have been identified as by the NCCC to work on include:

- national programs and strategies on climate change;
- green growth programs;
- Viet Nam National Energy Efficiency Program;
- Program on Reducing Emissions from Deforestation and Forest Degradation (REDD);
- and other programs related to climate change response.

Furthermore, the NCCC serves as the coordinating body for Vietnam's international engagement in treaties and negotiations in relation to climate change. Besides this the NCCC oversees aid coordination and effectiveness of projects and programs dealing with mitigation, impacts of and adaptation to the effects of climatic changes.

Importantly the NCCC also coordinates the legislative process and the development of regulations to implement Vietnam's medium and long term strategy in response to climate change.

1.2.2 Coordination for Green Growth Strategy implementation

The role to coordinate the development and roll out of the Green Growth Strategy (GGS) was assigned to the Ministry of Planning and Investment (MPI). MPI plays a central role in many of the planning process related to the development of Vietnam most notably with its responsibility as the National level Planning Agency for Social Economic Development Strategy and the Social and Economic Development Plans. Directly related to this MPI also has the mandate to be the Standing agency for the National Sustainable Development Council (NSDC), acts as focal point for Millennium Development Goals and Vietnam Development Goals.

The mandate and responsibilities of MPI were further expanded in March 2011 when the Ministry has been assigned by the Prime Minister to lead the development of a Green Growth Strategy (GGS). The assignment of this additional task was coordinated through the NCCC which tasked MPI as member of the NCCC with the following roles:

- direct climate change mainstreaming into the socio-economic strategies, programs, planning, plans;
- direct, coordinate and operate the green growth program and other programs on climate change under authority of Ministry of Planning and Investment;
- actively cooperate with Minister of Natural Resources and Environment to mobilize funding sources from international donors for the activities responding to climate change in Viet Nam;
- collaborate with the Minister of Finance to report to the Prime Minister on budget allocation for the programs, projects and activities on climate change; and,
- cooperate with other members of the Committee to negotiate with the partners and donors on grants and incentive loans (ODA) for the climate change programs and projects;

Under MPI, the Department of Science, Education, Natural Resources and Environment (DSENRE) is the body in charge of State planning management in Science, Education, Natural Resources and Environment Sectors. DSENRE is the department where the National Sustainable Development Office and its secretariat are located. DSENRE's mandate also covers international support programs and projects for above-mentioned sectors under the MPI's responsibility.

Assigned by the MPI leader, DSENRE is the focal point to prepare proposals to attract resources for formulation and implementation of the GGS including the GGSF. DSENRE has also been in the lead to draft and finalize the GGS.

In the final document, responsibility assignment in the strategy's implementation was proposed as follows:

- a) Ministry of Planning and Investment shall coordinate with related ministries and People's Committees of provinces and cities under central authority in implementing the green growth strategy to 2030. MPI will keep track of implementation activities in relation to the GGS and report on this. A review has been planned every 5-year with a midterm review in 2020, and a final review in 2030. Furthermore MPI has been asked to take the lead in collaboration with MOF and other related ministries to identify and allocate domestic

resources and coordinate external resources to successfully implement the green growth strategy. Importantly the Ministry shall chair the process of policy development as well as the design of mechanisms to develop a green economy. This involves a green growth index in accordance with Viet Nam's conditions and meeting the requirements of international economic integration.

- b) Ministry of Finance (MOF) shall coordinate with Ministry of Planning and Investment to submit the cost estimation to competent authorities for approval and ensure funding for ministries and localities to implement the strategy according to current regulations. Furthermore, MOF will collaborate with MPI to establish policies to encourage all economic sectors, organizations and individuals to invest in developing green economy in Viet Nam. This will involve completing the mechanism of financial management. MOF shall guide ministries and localities to use public investments flows for green growth effectively. It takes a leading role in formulating policies to encourage all economic sectors, organizations, and individuals to invest in green economic development in Viet Nam.
- c) The ministries, ministerial-level agencies, Government affiliate agencies, based on their functions and responsibilities, shall develop respective action programs and plans to implement the green growth strategy as well as incorporate the related tasks into their annual and 5 year socio-economic development plans in accordance with their development strategies.
- d) Provincial People's Committees of provinces and centrally affiliated cities are responsible for developing programs and action plans and directing the implementation of green growth strategy. They will have to elaborate and integrate tasks into annual and 5-year socio-economic development plans in accordance with their local development strategies in line with existing regulations.

2 STRATEGIC ORIENTATIONS

2.1 Problems to be addressed

2.1.1 Shortcoming in policy formulation / implementation

Vietnam faces a challenge to translate timely and efficiently government policies objectives into actions on the ground, and this problem may also impact the implementation of the Green Growth Strategy. Part of the issue is related to missing elements in key strategy documents and master plans. Taken in isolation, these documents contain a lot of good information, including information on 'solutions' to be implemented. However, what seems to be missing is an analysis of the decision-making context of the actors involved, answering questions such as: What are the actors' motivations? What are the incentives for implementing the 'solutions'? Do these various actors have the necessary access to resources to implement the 'solutions'? Do the actors have full information enabling them to implement the solutions? In other words, what appears to be missing is information on incentives, barriers and constraints of the actors responsible for taking the indicated actions. The policy documents are therefore not so strong in creating a strategic framework for taking decisions by non-governmental actors and the private sector. This is important, because the private sector accounts for the largest share in production and investment decisions directly related to what is called "Green Economy".

In most market-based economies, the government's policies and implementing regulations are targeting incentives, barriers and constraints to move economic actors in a desired direction. In the context of green growth, this means creating the *enabling conditions* for green growth. It appears that such an approach is not sufficiently developed in Vietnam.

Historically many solutions identified in master plans and similar strategic policy documents have been implemented by the government with donor funding (Vietnam has been a significant recipient of development cooperation funding at 3.5% of GDP in the period 2005-2010). However, this donor-based model appears to be at its end because donor funding is likely to reduce in the years to come, now that Vietnam has achieved Middle Income status.

In general, the Vietnamese government is currently facing difficulties in translating strategies and master plans in concrete, implemented actions. This is due to difficulties in guiding the emerging market economy and its private sector actors and in ensuring that legislations are enforced and effectively respected by all actors of society. Past and current implementation strategies relying in part on donor funding cannot be continued.

As further elaborated below, the GGSF proposes to work on policy implementation strategies that change the decision-making environment for the private sector, thus stimulating green initiatives. This is one part of the strategic approach.

For public investments, the key issues would be obtaining the required resources, and the process and techniques of public investment decision-making using, for instance, economic cost-benefit analysis, incorporating the full value of environmental costs and benefits. This would come on top of the challenge of the efficient use of public money for investments. For public spending in general, a system of green procurement is lacking and could be further developed. These are elements that can be captured in some of the capacity building results of the GGSF, outlined below.

2.2 Barriers and constraints to green growth

There are a number of barriers that hinder green growth in Vietnam and explain the Vietnamese performance on green growth until now. Among these barriers (and apart from some, probably temporary, macro-economic constraints) are the following, grouped by actors:

Public sector performance barriers

1. Shortcomings in the ability to formulate and implement regulations that create an enabling framework for the private sector – related to experience, capacity and training but also successful cases
2. Weak coordination between the different government agencies (horizontal / vertical)
3. Lack of translation of central level policies into local level policies
4. Unclear incentives for public sector officials
5. Lack of green procurement procedures/regulations
6. Shortcomings in the consultation mechanisms with enterprises for policy implementation
7. Shortcomings in the assessment of public investments from a green growth perspective.
8. Lack of a green procurement policy
9. Lack of access to (sufficient) funding

Enterprise performance barriers

10. Shortcoming in monitoring / inspection / enforcement of environmental laws and regulations
11. Lack of proper incentives for the private sector to act – these are the specific regulations implementing wider policies
12. Lack of awareness (of issues, of laws)
13. Lack of management decisions regarding opportunities to increase/improve production through more efficient processes
14. Lack of technological information
15. Lack of access to funding
16. Lack of a credible long-term framework (necessary for the more ambitious LT investments and R&D and innovation strategies)

Household performance barriers

17. Lack of awareness on the importance of green behaviour
18. Lack of incentives to address green issues
19. Lack of technological information
20. Lack of financial means to choose for greener products/goods

It is important to note that the design of incentive schemes in most cases require first the establishment of monitoring, inspection and enforcement capacity. If this is

not in place, an instrument such as pollution levies may miss its objective, unless specifically designed to take the lack of monitoring, inspection and enforcement capacity into account. The project will design differentiated approaches on how to support public sector organization on the one hand and the private sector on the other.

Barriers and the GGSF

1. There are many potential green investments that are both economically (commercially) and environmentally sound, but that are not being made because of these barriers. Therefore, potential win-win solutions exist on which the GGSF could focus. The project is designed to be able to address the barriers that prevent these win-win solutions being taken up, as is elaborated further below. The various barriers identified define the type of activities that are included in the project, these barriers will be removed through the following activities:
 - Conferences, seminars, and workshops related to specific sectors
 - Pilots, demonstration projects
 - Support to Green action plans
 - Training and study tours
 - Studies and consultancies
 - Feasibility studies and EIA report preparation
 - Financial match-making

Apart from this, the GGSF will assist in formulating incentive mechanisms that work in absence of strong monitoring, inspection and enforcement, and assist in creating the required monitoring, inspection and enforcement capacity. Most activities will be focused on (and assessed against) the achievement of green initiatives.

2.3 Cooperation principles

2.3.1 Flexibility and practicability

To ensure a flexible and demand driven approach to the activities of the GGSF and the facility itself, the Facility will support the development of strategies to overcome bottlenecks to green initiatives. It will support the implementation of a green procurement policy and will, amongst other tools, operate a call for proposals mechanism. In such system, various actors can propose actions for funding and the best are selected through a competitive and transparent process.

To be practical and concrete, the GGSF focuses on developing and supporting the operations and all activities necessary to promote the Vietnamese Green Growth Strategy Facility.

2.3.1.1 Indirect approach

The GGSF will follow an indirect approach: it will not directly fund investment projects, but it will

fund the actions that pave the way for green investment (barrier removal, creating the enabling conditions), actions that disseminate and replicate already implemented sound green investments and the initial steps toward the achievement of green initiatives (feasibility studies, environmental impact assessments, identification of investors / financiers). This approach makes sense in the context of the available budget: the green investments will be achieved slower, but the total amount of green investments achieved will be higher. However, for demonstration purposes, it might be relevant to support directly some 'green investment' through the facility, therefore targeting more directly the private sector, and to communicate about the results obtained.

2.3.1.2 Monitoring and evaluation - additionality

Most development cooperation projects that work on topics such as green growth and sustainable developments have difficulties in creating a monitoring and evaluation (M&E) system with suitable indicators and targets. The GGSF will solve this by a bottom up approach: it will assess what actions and investment projects are additional (would not have occurred in absence of the GGSF), and then assess their impact. Counting the impacts of additional actions and investment projects solves the attributability problem (the problem to assess what part of the changes in macro variables are due to the project and what part is not). This method is developed in more detail in the Annexes. In the GGSF, there will be two layers of M&E: one focuses on the project (GGSF), and another one focuses on the Facility itself.

2.3.2 Structure

There is a clear distinction between the Green Growth Facility (Facility for short) on the one hand, and the Belgian contribution towards its establishment, improved operation and use, and first funding for the Facility.

2.3.2.1 The Green Growth Facility (GGF)

The GGF is a Vietnamese instrument to select for funding good projects proposals for promotion of green growth in Vietnam. The funds available for disbursement through the GGF will initially be from donor contributions but may be complemented in a later stage by Vietnamese funding. As such, the facility fully falls under Vietnamese laws, with rules designed to be fair, transparent, based on open competition and lead to selection of good quality projects implemented at good economy. The TFF provides basic ingredients for the setup of the operational rules of the GGF, including key principles. These will be elaborated further and tested during the pilot and implementation phases of the GGSF.

Monitoring and evaluation

The GGF will have its own internal monitoring and evaluation system which will keep track of technologies and investments that are worth disseminating and replicating and of successful policy approaches. The monitoring and evaluation system will also keep track of the operation of the different types of activities financed through the Facility.

Types of support

The GGF may offer different types of support, such as funding through calls for proposals or seed money for pilot projects. At a later stage, and if found appropriate, the Facility itself may also provide supports such as soft loans or loans, partial grant funding, and guarantees. Such support types could for example target enterprises, and could be suitable to pilot investment projects using new and greener technologies. In general, for such types of actions and actors, grants covering a

high percentage of the costs are less suitable. The other types of support may help to get the projects off the ground while reducing risks. By providing less support per action the other supports would distort competition less, and be able to trigger more actions. The type of support could be determined on the basis of the maturity and riskiness of the technology proposed.

If the GGF would also provide these other types of support, the GGSF could assist in drafting the rules and procedures.

2.3.2.2 The GGSF

Belgium's contribution is in the form of a project, the GGSF, which interacts in several ways with the GGF. The project will help to set up the facility and its operational procedures (during the formulation and the project set-up phase) and will provide support during the operation to help the Facility learn from experiences and improve over time. The present TFF makes sure that all contributions can be made in accordance with Belgian and Vietnamese laws and regulations.

2.3.2.3 Other donors

An added benefit of this structure is that, if the project and/or Facility is of interest to other donors, it would be easy for these donors to come on board. There would be two ways for other donors to join: either directly (with a direct financing agreement with Vietnam), or indirectly through Belgium, on the basis of the Belgium-Vietnam agreement (in which case the other donor would utilize the existing basis for cooperation to provide additional funding). In the first case, the new donors may want to discuss their requirements (if any), but it is anticipated that the additional rules for the Belgium contribution will also be suitable to satisfy the requirements of other donors.

The integrity of the GGF's rules and procedures as well as the ability to complete the rules and procedures within a reasonable amount of time will be key in attracting other donors.

3 INTERVENTION FRAMEWORK

3.1 General objective

The general objective of the GGSF is “**The Vietnamese Green Growth Strategy is implemented**”

3.2 Specific objective

The specific objective of the GGSF is “**A Facility to support the implementation of the Vietnamese Green Growth Strategy enables Green initiatives**”

The specific objective focuses on the setting-up of the Facility that will aim at promoting green initiatives to support, in turn, green initiatives reducing CO2 emissions and/or sources of pollution. These green initiatives will lead to environmental and other benefits (sanitary and health conditions, employment opportunities, increased competitiveness...) that are additional, meaning that they would not have occurred in the absence of the project, and at a later stage, of the Facility.

3.3 Expected results

The expected results are:

Not mentioned as a result, because it is not part of the intervention logic in itself, are the various project management activities, which are elaborated in the next section under project management activities.

1. A support facility is created and developed. This result includes the development of the Facility including all its operational rules and procedures as well as management structure, its subsequent improvement through monitoring and evaluation during the implementation of the Facility activities;
2. Green growth capacity & MPI leadership increased: general capacity building for MPI and the ministries in the Green Growth Coordination Committee is foreseen. For MPI, the project will support capacity building processes and activities to increase its leadership and coordination role in the field of implementing the strategy;
3. Piloting activities in three provinces are supported. The 3 provinces where the Belgian bilateral cooperation is active in the field of climate change are supported in the field of Green Growth;
4. The Facility supports, through a call for proposals, green growth investments throughout the country;
5. Good practices disseminated and replicated: identification, dissemination and replication of existing good/best investment practices resulting in actual replications of investments that have already been completed. This result is primarily aimed at harvesting the low hanging investment opportunities (win-win solutions that are both economically and environmentally sound) and ensuring their widest possible dissemination and replication.

Result 1 involves the creation of the Facility itself and especially the Facility Operation Manual (FOM). To facilitate the start of the project, a list of activities to be carried out during this phase has been provided in Annex 4. The project would start by a series of studies aiming at :

- ✓ defining the (few) sectors to be supported by the GGSF/Facility in the first 3-4 years through a baseline study;

- ✓ developing tools to be used by the public authorities to implement its Green Growth Strategy;
- ✓ developing a green procurement strategy;

This first phase shall also be used to define the administrative and financial follow up and control of the funds used within the project. The development of the FOM being part of the project's objective and since it will require a strong involvement and input from the Vietnamese partners who will have to manage and develop the Facility in the long term, it was neither possible nor advisable to develop the FOM as part of the formulation process. However, it will be considered as a priority action at the start of the project. The FOM will be developed by the project's team and will be submitted for agreement to MPI and BTC.

Result 2 will be divided in 3 main series of actions :

- a)** Capacity building to MPI to allow it to play an increased role as coordinator and leader in the field of green growth. Partly this is based on demonstrating the more indirect approach to policymaking and implementation outlined above in Section 2.1.2, partly this is also based on short-term, small budget capacity building activities that MPI organizes on behalf of itself. These could, for example, include capacity building related to the assessment of proposed public investment projects from a green growth perspective and capacity building related to green procurement.
- b)** Capacity building, in priority, to the members of the Green Growth Strategy Facility Steering Board as described in the Decision approving the Strategy.
- c)** On a limited scale, targeting those priority sectors selected within the Facility, other actors that could promote green growth in Vietnam, within the scope of activities supported by the Facility or the GGSF (this includes all private and public actors involved in the preparation and realization of relevant green initiatives – i.e. Results 3 and 4) could also benefit from capacity building activities.

A comprehensive capacity building approach will be envisaged which will entail the following aspects :

- provide support to capacity development consistent with the mandates and roles of the main actors involved (and based on a sound understanding of the enabling and constraining factors of their institutional environment);
- support a continuous process of analysis of available capacity, to cope with the changing environment as well as monitoring results over time;
- identify methods of capacity building beyond the conventional training approaches and rely on local support. The use of professionals from state services as trainers, universities and research institutes, combining theory and on the job training, the exchange of experience with peers (e.g. internships, visits, twinning) will be privileged.

Result 3 will aim at supporting pilot activities supporting green growth in the provinces where the Belgian Cooperation is already active, especially those projects related to the climate change programme. By doing so, the coherence of the Belgian Cooperation in Vietnam will be strengthened, while coordination will be favoured between mitigation (GGSF) and adaptation measures (climate change program) in those provinces. Green action plans developed at province level in particular will be supported by the intervention, either at the stage of the action plans design or at the stage of implementation for those provinces which are more advanced.

Result 4 should lead to significant green investments, to be achieved through the creation of an

enabling environment followed by the preparation of the documentation necessary to attract financiers, and the matching of projects to potential financiers. The GGSF will not itself fund the green investments, but will possibly make available investment supports (“credit enhancements” in project finance terms) that reduce the riskiness for financiers and make it more attractive for the potential investors to provide finance for the project. However, small investments with a pedagogical interest (that may be used to demonstrate or show case practices or used for capacity building purposes) may be supported.

Result 5 focuses on good practices that may not have been sufficiently disseminated in Vietnam, or that would require additional barrier-removal activities (or activities focused on the creation of an enabling environment) in order to be replicated. Government agencies, but also donor organizations and NGOs, may be good sources of good practices that can be disseminated and replicated. Focusing on donor organizations has the additional benefit of attracting their potential interest to the Facility with an eye towards potential further funding. This result will also be devoted to communication activities, upstream to present and explain the project, during the course of the project to attract proposals and additional donors and provide feedback on the progress achieved, and downstream to provide lessons learned and share experience.

3.4 Activities

3.4.1 Result 1: Facility created and developed

This result comprises the following activities:

A.1.1 Studies to develop the Facility. Several studies will be needed at the start of the project. A baseline will be conducted aiming at presenting the state of the art in relation with green growth in Vietnam, defining the priority sectors for action (according to environmental, economic and social criteria. and the willingness of the sector to participate to the call for proposals) and developing relevant indicators in the concerned sectors. Three to five sectors will be selected for the calls for proposals.

Another study will focus on providing legal tools and instruments to support the strategy (information & promotion, incentives, follow-up & control..) and at establishing green procurement guidelines for the public sector.

A.1.2 Development of the different tools for the call for proposals. This will consist in complementary consultancies, workshops and seminars and functioning of the assessment committee. Documents annexed will be used as preliminary references for these activities.

A.1.3 Set-up of the monitoring and evaluation strategy. The strategy will require a very efficient M&E system in order to assess regularly and update the system implemented. The monitoring and reviews modalities should meet the principles of the BTC M&E Policy, they will use as much as possible Vietnamese regulations and templates.

The monitoring process aims at collecting qualitative and quantitative data in order to assess the relevance and efficiency of the strategy and implementation of the Facility and other activities aiming at supporting green growth. These data will contribute also to the internal accountability and dissemination of lessons learned. The primary beneficiaries of the monitoring process are the project implementers themselves, the PMU and other

MPI/DSENRE managers and staff. In that respect, the processes and templates should be very well owned and used.

A proper M&E strategy, including procedure and tools will be developed during the set-up and pilot phases. This exercise will be linked to the project baseline survey (see activity 1.1), with a special attention to the implementation of the call for proposals mechanism.

The M&E system will also be used to define key indicators in relation with the follow up of the ICP 2011-2015 and SEDP 2011-2020. For instance, the following 2 indicators of the SEDP could be used as landmarks:

- *100% of new establishments to use pollution-minimizing technologies and for 50% of all business to meet environmental Vietnamese standards;*
- *40% of urban areas and 70% of industrial zones to have centralized wastewater treatment systems, 80-90% of solid wastes to be collected, and 60% of hazardous wastes to be treated.*

The project will, whenever possible, make links with M&E specific software developed in other projects supported by the Belgian Cooperation in order to favour coordination and consistency.

A.1.4. Development of the Project Operation Manual (POM) and Facility Operational Manual (FOM). These manuals will describe in detail the administrative, legal, financial and technical working rules of the project and of the Facility.

During the set-up phase, a POM will be developed in a participative way in coordination with MPI to include both GoV and BTC requirements. Here also, the POM will be built taking into account similar guidelines developed by other belgo-vietnamese projects. The POM, to be approved by the steering committee, will describe the practical arrangements for the functioning of the project, and particularly of the PMU. It will translate the implications of the concepts defined in the present TFF in terms of project management and finance. It will be written by the PMU – with the support of consultants.

A similar document will be elaborated for the Facility (Facility Operational Manual) taking into account the fact that the Facility will survive the GGSF project and will use funds from several donors. A particular attention will be given to the administrative, financial and technical tools to be developed to control the contracting partners selected to benefit from the Facility's support. The FOM will be developed based on previous experiences from other donors in the development of similar facilities, even if addressing other issues than Green Economy. The *Small Projects Facility* (active in Vietnam) developed by the European Union or the European *SWITCH-Asia program* to promote Sustainable Consumption and Production may be some of these references. Another source of inspiration will be the Practical Guide to contract procedures for EU external actions (PRAG), which has a detailed section and extensive templates about call for proposals (<http://ec.europa.eu/europeaid/prag/document.do?chapterId=6.4.&id=141>). A first step in this exercise will be to gather relevant documentation that could be used as a source of inspiration. The FOM shall also describe the non-objection mechanism allowing BTC to assume ex-ante control on the use of the funds.

Both FOM and POM will be formally approved by BTC in order to ensure coherence with Belgian rules and regulations, and in particular the Belgian law on development cooperation which defines the objectives and strategies of the Belgian Official Development Assistance. Among others the following trans-sectoral themes will have to be respected by each proposal:

- Gender
- Respect of the environment
- Social economy
- Children rights

A.1.5. Development of advertisement and workshops to explain the application process and documentation requirements. Potential proponents of actions will be trained in making an action concept note and proposal through workshops in strategically chosen locations (with Internet used to reach those not present, using for example videos or streaming), which is key in ensuring a large flow of quality action concept notes and proposals.

3.4.2 Result 2: Green growth capacity and MPI leadership increased

This result comprises the following activities:

A.2.1. Training needs assessment for MPI and capacity building. This activity includes consultancy to define training needs and organization of capacity building activities. It will be conducted by consultants recruited by the project and will be based on a detailed reflection on the skills needed by MPI in order to be able to elaborate, manage and coordinate the Green Growth Strategy. The presence or absence of these skills will be assessed and a programme built to reinforce, develop, and strengthen them. The roles and responsibilities of the different stakeholders involved in the development of a Green Growth Strategy will be studied and priority stakeholders and activities defined to be financed through the GGSF project. Other donors joining the Facility will be encouraged to complement both the studies and the related activities in the field of capacity building.

A.2.2. Coordination activities with other actors. Developing a Green Growth Strategy will require huge coordination efforts. The concept is nation-wide, concerns almost all fields of the Vietnamese economy and involves many stakeholders from the public and private sectors, but also from the civil society and academia. Meetings, workshops, roundtables, diverse communication means will be needed to share, with all actors involved in the green growth area, information on the project and on the facility and to gather ideas, suggestions and recommendations on how to support green growth in Vietnam.

A.2.3. Capacity building activities for the other actors. Capacity building activities will be organised for stakeholders of the GGSF and Facility with a priority given to the members of the GGS Steering Board. These activities will be related both to administrative aspects (how to answer to calls for proposals and draft good proposals) and to more specific and technical issues related to the functioning of the Facility and to green growth in the selected sectors (environmental problems and “green” answers, available alternative/innovative technologies, laws and regulations, finance matters, market orientations & commercial aspects, international trends, competitiveness, partnerships & networks..). These activities will target not only actors and organisations based in Hanoi, but also local level actors based in the provinces.

For all capacity building activities, priority will be given to Vietnamese institutions, consultants and experts.

3.4.3 Result 3 : Piloting activities in three provinces are supported

This result comprises the following activities:

A.3.1 Pilot Province green strategy action plan. The provinces already involved in the “Climate change programme” financed by the Belgian Development Cooperation will benefit from specific support related to the promotion of a Green Economy at local level. This support may be related to the development of studies, action concept notes or development of (parts of) green action plans. This support may be provided as specific direct actions in support to the green action plans. This support will promote the internal coherence of the Belgium development cooperation funding in Vietnam, increase the coherence between mitigation and adaptation measures towards climate change promoted by the local authorities, while at the same time creating a number of worked examples of concept notes and proposals that demonstrate the analytical methodologies employed that can be used as examples for other potential applicants or beneficiaries.

According to the timing, other donors wishing to join the Facility concept will be encouraged to support similar actions. The project Management Units of the on-going BTC projects throughout Vietnam will be important players during that process. They will support the GGSF in raising the awareness of the Province People’s Committee in which they are working about the initiative and will support them, for instance, for the selection of most appropriate actions. The PMU of the selected province(s) to conduct the green action plan will also provide the logistic during the design or the implementation phase of this action and its control.

A.3.2 Short Term Actions (STA). The GGSF has a small actions budget line (seed fund) that can be used for a variety of quick actions (relatively small amounts, short-term activities) on green growth, increasing the capacity of the counterparts to act quickly when needed or supporting pilot projects that may be used to show case greening actions at the province level. Use of the funds will be decided by the project within restrictions set during the pilot phase, and with post-hoc reporting by BTC. The following criteria should be considered for the selection of Short Term Actions:

- a) be in line with the Green Growth Strategy principles, orientations and action plan;
- b) be coherent with Belgium cooperation principles (attention to poverty reduction, gender and environmental considerations, etc.);
- c) be cost effective;
- d) be innovative or useful for demonstration purposes;
- e) demonstrate possible link to green initiatives opportunities.

See annex for more details. Detailed principles of the use of the STA budget line will be developed in the FOM.

Box 1. Formulation and implementation of a green action plan for a province

The action will focus on those provinces involved in projects supported by the Belgian Cooperation

in order to promote coordination and cross-fertilization between projects in the green sector. It could start by demonstrating various methodologies used internationally to develop green plans for regions; then one or more of these could be applied, for example based on the comparative advantages of the province. In parallel to this, it could be assessed what green activities or investments might already be possible in the province, what barriers and constraints are present, and identify and implement specific activities to address these. Then feasibility studies could be prepared for the specific projects, and the suitable ones could be taken up for financial matchmaking. After that phase, a whole process and methodology can be disseminated to other provinces, and the same for the green initiatives facilitated.

3.4.4 Result 4: The Facility supports, through a call for proposals, green growth investments throughout the country

This result comprises the following activities:

A.4.1 Launch of calls for proposals. The call for proposals is an approach that is used in many contexts aiming at supporting innovation, which is the case for the Green Growth Strategy implementation. A call for proposals is a bottom up strategy, aiming at promoting pioneers and dynamic organizations and entrepreneurs through a limited and monitored financial support, with the objective of providing help in removing barriers to green economy. This intervention will contribute to determine whether this strategy may be appropriate in the Vietnamese economical and institutional context.

The calls for proposals will be for the development of full green action development plans and their implementation, including the follow up in the form of feasibility study financing, financial matchmaking, and realization of green investments. The focus of the calls will be sectoral (according to the conclusions of the baseline study and discussions at PMU/MPI level), but could also address green action plans focussing on a region/province or the level of an industrial park, industrial cluster, or crafts village. The call for proposals will specify 3 to 5 priority sectors (such as, for instance: leather and garment, textile, food processing, construction, forestry, crafts villages, eco-tourism, fishery, renewable energy...) based on the result of the analysis of the baseline study. At this stage it is anticipated that the more practical set-up would be 3 calls over 3 years, each for a specific sector or issue. It may happen during the course of the project and according to the evolution of the context of the Vietnamese economy that finally 2 bigger calls would reveal more efficient. This decision, if ever, should be submitted to the Steering Committee.

See also Annex 14 for a more concrete example.

The various Vietnamese sector associations and professional associations and the private sector, as well as some of the government and government-liaised organizations may be expected to react to a sectoral call. In Annex 13, a case explains which organizations could be envisaged to submit a proposal on a call for a sectoral green development plan, as well as what might be in such a proposal in return to a sectoral call.

The calls for proposals will be publicized to reach a large audience within the targeted sectors. The calls will be advertised through the national and regional press and through professional medias (bulletins, newsletters...). Other channels such as the professional bodies (Chamber of Commerce, professional associations..) shall also be used. The

Facility Operation Manual (FOM) shall describe in detail the procedures used to launch and monitor the calls for proposals based on similar actions in Vietnam and abroad (South Korea, etc..).

A.4.2. Screening against eligibility criteria and selection criteria and selection of proposals per call for implementation. Annex 7.6. presents a series of eligibility and selection criteria which form a solid basis for the finalization of these criteria which will be reviewed in the development of the FOM. For instance, some of the **eligibility criteria** should consider the following issues :

1. Administrative compliance
2. Eligibility of organizations
3. Eligibility of the type of actions
4. Eligibility of costs
5. Inapplicability of ineligibility criteria (donor defined)

Based on these criteria, ineligible actions will be discarded. Then eligible actions will be pre-selected and most promising concept notes authors will be asked to develop further their project ideas. The PMU may provide technical advice and support to those proponents who would need such help.

Selection criteria usually focus on the following issues:

1. Financial and operational capacity
2. Relevance
3. Methodology
4. Sustainability
5. Pro-poor interest
6. Gender considerations
7. Budget and cost-effectiveness
8. Quality criteria

A.4.3 Contracting and implementation. After the selection phase, the next steps will be to contract those projects selected (clear definition of what should be done and how the money would be spent, and description of the reporting requirements and control organization) and start implementation. The implementation will consist of the realization of the proposed actions, as described in the full proposal. Generally this will comprise of :

- barrier removal actions,
- potential green investment identification,
- preparation of feasibility studies,
- selection of green investment opportunities for financial matchmaking,
- successful financial matchmaking and investment support / credit enhancements,
- implementation of green initiatives.

Note: If the action includes dissemination and replication activities, this will be considered a plus.

Box 2 : Example of a proposal for a given sector A proposal may include the following aspects

- Identification of various 'green' technologies and production practices with an assessment of the levelled impact on production costs;
- Assessment of the status of the implementation of the identified green technologies;
- Identification of barriers that prevent the implementation of the most promising win-win green technologies..;
- Review of strategies used in other countries to eliminate those barriers;
- Implementation of the barrier removal strategy;
- Identification of green investment opportunities in the sector;
- Preparation of feasibility studies for the green investment opportunities;
- Possible support to small scale pilot or demonstration projects;
- Financial match-making for various green investment opportunities;
- After this stage : implementation of the green initiatives with funding other than GGSF.

A.4.4. Support and advice to activities on the field. In order to offer verification opportunities but also coaching and advice to projects implementers, the project's budget comprise means to organize field missions from PMU and MPI staff, and/or from consultants or other involved partners according to needs.

3.4.5 Result 5: Good practices disseminated and replicated

This result comprises the following activities:

A.5.1 Elaboration and updating of a communication strategy for the Facility. In order to inform stakeholders and possible new projects proponents, to submit proposals, to draw and share lessons learned and encourage replication of good practices towards green growth, the communication part of the project will be of paramount importance and deserves a specific result. A communication specialist (local) will be hired for 48 months to develop, test and implement a communication strategy adapted to the project's goals and strategy. In order to provide in real time complete information on the project's objectives, set-up and organization, a web-site will be designed and open to general public. All stakeholders, including potential projects proponents will be able to find all necessary information on the calls for proposals (selected sectors, eligibility and selection criteria, related documents, contact persons coordinates, main dates and deadlines...) the rationale behind this web-site being that clear, complete and timely information is a major pre-condition to attract good projects proposals. The web site will also be used to promote

all lessons learned in the implementation of the Green Growth Strategy in order to support coordination and synergies between interested parties.

A.5.2 Awareness campaign towards provinces and actors of selected sector(s). At the onset of the project it will be important to provide to targeted stakeholders, not only in Hanoi, but also in the regions and provinces, all necessary information on the project's objective and way of operating. During the project, and as soon as possible, lessons learned, good practices cases, show cases and pilot-experiences should be shared and communicated. Apart from electronic contents on the web-site, leaflets, brochures, posters... could be produced and disseminated in order to provide feedback on actions which in turn may attract new project proposals for following calls and new donors interest for the Facility.

A.5.3. Capitalization. More towards the end of the project, after the first activities have produced results and the Facility is better known, it will be needed to take time to pause and reflect on the evolution of the context of green growth in Vietnam, the difficulties encountered and the results obtained. The project will have the possibility to produce documents to support the capitalization process on good practices.

3.5 Indicators and means of verification

The various indicators and target values to be achieved can be found in the logical framework and in the tables below. The tables include more detailed sources of verification. However, the baseline planned at the beginning of the project will validate or precise these indicators.

The indicators list is not meant to be exhaustive; more indicators could be added or considered during the baseline study or as part of the monitoring & evaluation strategy. For example, the advertising plan could include goals for the percentage of the target group that is aware about a call (for instance in a specific sector, or province), the percentage of the target group that gathers or requires further information, then the percentage of that subgroup that participates in workshops for the formulation of a proposal, etc.

The way to work around this issue is by looking bottom up, based on identification of the green initiatives made as a result of this project, which can be established from the action reports, results from feasibility studies and financial matchmaking, and monitoring & evaluation reports. This approach is valid if in absence of the Facility the proposed action and green investment would not happen, this is comparable to the additionality concept used in the CDM (Clean Development Mechanism). To this purpose, the draft guidelines for applicants in Annex 8 request the proponents of an action to submit information on the additionality and baseline of the action, and the draft eligibility and selection criteria assess the strength of the additionality argument (see Annex 11). During the pilot phase, it can be further decided that the strength of the additionality argument should have some minimum score, or that it should be an eligibility criteria instead. It is to be noted that the comparison with the CDM mechanism refers mainly to the concept and structure of the mechanism, the Green initiatives covered by the Green Growth strategy are of a much wider nature than CO2 mitigation and may include natural resources protection, waste management or other types of green initiatives.

Table 3.5.1. Indicators and means of verification

Objective / results	Indicator	Means of verification
GO The Vietnamese green growth strategy is implemented	1. Realization of indicators mentioned in the final version of the Vietnamese Green Growth Strategy.	<ul style="list-style-type: none"> • Publications by line ministries and the General Statistics Office of Vietnam
SO A facility to support the implementation of the Vietnamese Green Growth Strategy is created and operational	1. Number and nature of actions organized through the Facility. 2. Amount of green investments directly promoted and finance-facilitated by the end of the project. 3. Initiated replication of green initiatives facilitated and demonstrated by the end of the project. 4. Achievement of the environmental impact indicators (see Annex 10) 5. CO2 emission reductions (target to be identified during set-up) or other environmental benefits produced.	<ul style="list-style-type: none"> • Reporting on actions selected for implementation • Reports on feasibility studies and financial matchmaking • Facility M&E reports
R 1 A support Facility is created and developed	1. Creation and publication of the operational rules of the facility including indicators for review during the facility's monitoring and evaluation. 2. Monitoring and evaluation of the facility's operation launched 3. Recommendations for improvement of the facility's operation followed up on. 4. Ability to attract funding for the facility from other donors and level of these other funds. 5. Time required to complete a call for proposal cycle (launch to contracting) – target to be defined during set-up	<ul style="list-style-type: none"> • Facility's operational manual and rules on the release and use of funds • Facility files, • Newspaper publications • Website publications • Project reporting • Facility M&E reports • Facility M&E reports, • Revised operational manual of the facility • Funding agreements • Confirmations from other donors. • Facility files • Facility M&E reports
R 2 Green growth capacities & MPI leadership increased	1. Stakeholders capacities related to identifying and implementing green action plans and/or activities enhanced. 2. Better coordination between actors involved in the Green Growth sector. 3. The majority of participants in training activities are satisfied or very satisfied about the trainings/workshops.	<ul style="list-style-type: none"> • Project's and other reports • Reports, evaluations • Evaluations, training reports

	<p>4. MPI self-assessment and assessment of external observers (donors, etc) that MPI's leadership and coordination capacities have improved.</p>	<ul style="list-style-type: none"> • Proposal and action implementation reports • Surveys as part of project M&E
<p>R 3</p> <p>Piloting activities in three provinces are supported</p>	<p>Green Action Plans are elaborated in the 3 provinces (Ninh Thuan, Binh Thuan and Ha Tinh), with a clear strategy to implement it, including a chronogram and appropriate tools</p> <p>Pilot activities are developed in one or several of the 3 selected provinces aiming at implementing the province Green Action Plan</p>	<ul style="list-style-type: none"> • Action reports • Facility monitoring and evaluation reports • Full proposals of the selected actions • Facility M&E reports, • Surveys as part of facility M&E exercises
<p>R 4</p> <p>The Facility supports, through a call for proposals, green growth investments throughout the country</p>	<p>1. Three calls launched through the Facility and an action or several actions selected for each call</p> <p>2. A majority of the actions selected focus on the removal of barriers and constraints and creating an enabling environment for green growth</p> <p>3. The approach towards green action plan formulation and implementation is deemed useful and is replicated</p> <p>4. By the end of the project, the budget has been fully disbursed.</p>	<ul style="list-style-type: none"> • Action selection reports • Contracts • Newspaper publication • Website publication <ul style="list-style-type: none"> • Action reports • Facility monitoring and evaluation reports • Full proposals of the selected actions <ul style="list-style-type: none"> • Facility M&E reports • Surveys as part of facility M&E exercises <ul style="list-style-type: none"> • Project reporting

<p>R 5</p> <p>Good practices disseminated and replicated</p>	<ol style="list-style-type: none"> 1. Web site developed and used for dissemination of project's and Facility's documents 2. Other documents produced and activities organized to disseminate good practices and share lessons learned. 3. Some Good Practices demonstrated through the project/Facility have been replicated by other institutions or organisations from the public or private sector. 	<ul style="list-style-type: none"> • Action selection reports • Contracts • Newspaper publication • Web publication • Facility M&E reports. • Training activities exit surveys. • Training activities follow up surveys • Reports produced by the actions • Assessment reports on the action reports by external reviewers
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3.6 Description of beneficiaries

3.6.1 Direct Beneficiaries

Direct beneficiaries include the various organizations that can be expected to benefit from the capacity building activities of the GGSF and to participate in the calls. This includes:

- MPI, and in particular DSENRE;
- Members of the GGS Steering Board;
- Government agencies at the local level, including for instance the Provincial People's Committees and the DPis, for instance in those Provinces where pilot projects will take place ;
- NGOs, including Vietnamese business associations and sector associations;
- Management of business associations, chambers of commerce, industrial parks, industrial clusters, and crafts villages, for instance those concerned by actions funded through the project and/or Facility ;

3.6.2 Indirect Beneficiaries

Indirect beneficiaries include the Vietnamese population at large, including also private and public enterprises. They will benefit from a cleaner environment and faster growth.

3.7 Risk Analysis

Taking into consideration the specificity of this intervention (creation of a Vietnamese Facility to

fund studies, capacity building activities and pilot projects to support the Green Economy Strategy), the following principles have been underlined :

1. MPI should be able to drive the project and be able to react to concrete needs to implement its green economy strategy.
2. The Facility benefits from transparency and a high level of predictability in applying criteria for funding decisions.
3. To allow for a higher level of accountability even more emphasis has been given to developing effective processes and guidelines to run the project and facility.
4. Importantly BTC would ensure its higher accountability requirement by having a good insight in the application of the designed process and guidelines.

Below are presented the various types of risks starting with an overview for each type of risk, a discuss for each particular risk identified and the mitigations measures taken to address those risks.

3.7.1 Implementation risks

Risks	Risk Level	Alleviation measure
Lack of timeliness risk	Medium	Timely recruitment of lead ITA and supporting ITA and local TA Frame work for core elements for POM in draft in the TFF
Bypassing rules risk	Low	Active monitoring by MPI, ITA and BTC Clear definition of the call for proposal and other financial mechanisms
Lack of project management capacities risk	Low	Ample project management experience and strong buy in of MPI leadership Have ITA identify possible knowledge, experience and exposure gaps and suggest capacity building activities This risk is also valid at the Provinces level
Lack of call participation risk	Low	Dedicated communication officer Use of a focused communication plan identifying the target group and means to communicate with this group

Third party contractor risk	Low	Defining selective eligibility criteria to reduce risk of picking inappropriate organizations as third party contractors Regular contact with facility staff in action development process gives insight in capacity of contractors Application of an stringent M&E framework
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Lack of timeliness risk

Effective implementation of the GGSF activities can only start when the core mechanisms of the Green Growth Facility have been designed and agreed upon. For the full operation of the project to start the Project Operational Manual (POM) and Facility Operational Manual (FOM) will need to be drafted. Timely execution of the task of drafting these guidelines is crucial and will take place during the set up phase. Besides this an effective M&E system will need to be designed reflecting the FOM guidelines and gather information on specific indicators to be reached by actions funded through the Facility, to make sure that the implementation of the activities follow agreed time plans.

Risk mitigation: An important role is played in this regard by the ITAs. Their timely recruitment and fielding is crucial, and is one of the risk mitigation measures. To kick-start the guidelines drafting process the TFF provides a number of key building blocks and in particular provides inputs in the action selection mechanism and contracting procedures.

Bypassing rules risk

One of the risks the project faces is that the partners in the GGSF (whether Vietnamese or Belgian) would start to use the Facility in an ad hoc manner to direct funds into specific activities. This would endanger the integrity of the call mechanism, which rests on a competitive process involving the maximum number of proposals. The call mechanism and the needed transparent guidelines are the core component which will allow the Facility to function efficiently.

Risk mitigation: The MPI, ITA and BTC as monitoring partners of the project should guard actively against this risk and ensure the use of the call mechanism follows the design criteria set out in the TFF.

Lack of project management capacities risk

The project could suffer from a lack of project management capacity. This risk could be partly offset by capacity building activities for MPI and PMU staff. The needs for this should be identified by the ITA which will have this role explicitly included in its ToR. To this aim Short Term Action funding (seed fund) could be used.

We should emphasize that no obvious risks have been identified with regard to the general project management capabilities of MPI and its staff manning the PMU. Both the PMU director and vice director have ample experience in project management. Furthermore, senior staff of MPI has taken great interest in this project. The demonstrated buy-in and taking ownership on the side of MPI ensures the efficient handling of the administrative procedures on the Vietnamese side. Little

delays in the project start are expected from the Vietnamese approval procedures.

Risk mitigation: The design of the project involves MPI staff and management who have demonstrated capacities in conducting previous projects. However, when needed, ITA could signal capacity building needs.

Lack of call participation risk

Insufficient response to different calls for actions would severely hamper the smooth implementation of the project.

Risk mitigation: Targeted communication and promotion of the Facility will reduce this risk and insure enough qualifying proposals are received for each call. The presence of a dedicated full time communication officer will guarantee that the Facility is known to the majority of the potential constituency of the Facility and that the application procedures are clear.

Third party contractor risk

Further risks are linked to the fact that actions funded through the Facility are carried out by third parties who may not be qualified for the work.

Risk mitigation: Defining selective eligibility criteria will reduce the risk of picking inappropriate organizations with too little experience or capacity. Furthermore, during the selection phase facility staff will work closely with proponents of actions. This allows facility staff to recognize shortcomings with the recipients that could pose a risk to the timely implementation of action. Besides these informal contacts the project will develop an M&E framework that covers both the facility functioning as well as the actions funded through the facility. This M&E framework ensures that progress and quality of activities are already articulated in the design phase of actions and from that moment onwards are on the radar of proponents. Furthermore the framework allows for monitoring on a regular basis by MPI and the PMU during the implementation phase. Last but not least, the Facility functioning and effectiveness will be regularly monitored by visiting BTC staff. Coaching from the side of the BTC staff can help smoothen out hurdles in the implantation process of the project.

3.7.2 Management risks

3.7.2.1 General discussion of management arrangements

Essentially there are two planning and control cycles that need to be managed within this project. The first cycle is on the project level and is largely shaped through the design and mutual approval of the Project Operation Manual. The second planning and control cycle will be laid down in the Facility Operational Manual and relates to how the Facility will be operated, first using the Belgium contribution then using vietnamese or other sources of funding. The aim is to create a Facility that can also be used by other donors. The FOM can be a guiding standard to manage contributions from other donors (possibly with additional rules). The Belgium contribution through the Facility will be provided through the cooperative management modality which imposes a number of checks and balances on the planning and control cycle that address specific Belgium concerns.

Seven key measures would need to be integrated in the project design to ensure proper risk management of the GGSP.

1. The project will be implemented under co-management. In principal all budget lines are under co-management with some lines (ITA, local controller, audit, evaluation) under BTC 'own-management'. Expenditure of other budget lines will be approved on the basis of i) pre-agreed procedures in place (and where needed using a ToR or proposal review by ITA

and competitive bidding for amounts set with a Belgium cost norm), ii) quarterly expenditure for casts reviews and bank statements, iii) half yearly action plans and iv) yearly project plan.

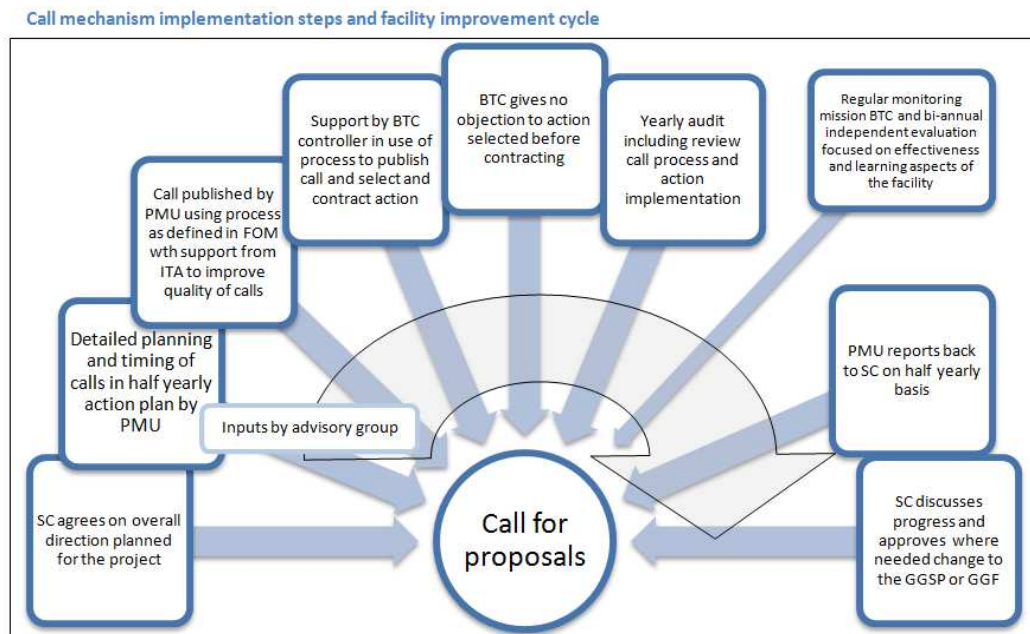
2. Review and signing off by BTC with a no objection of all procedure put in place to run the Belgium contributions to the project. All procedures will be detailed in a Project Operation Manual and Facility Operation Manual which includes among others the action selection procedures and criteria. All this will be developed during the set –up phase. With these procedures in place, BTC has good control over the GGSF management and the procedures that are being used to fund actions with the Facility.
3. Placing of a full time controller to ensure that agreed procedures for the GGSF, the Facility and its calls (call selection, action selection, action contracting and action reporting) are being followed and endorsed by BTC Vietnam office with a “no objection”.
4. Transparent demarcation of the mandate and management roles of the Steering Committee (SC), the PMU, the ITA and BTC. Importantly the people staffing the PMU can have no formal seat on the SC.
5. Yearly auditing of the project and later of the Facility by an independent auditing firm.
6. Early midterm evaluation (end of year two) to take stock of the impact of the GGSF and the facility and review management practices, efficiency and effectiveness. This is to ensure that beside the appropriate use of resources there will be a timely feedback to MPI/PMU to make the project a learning facility.
7. Regular monitoring visit by BTC HQ staff to ensure ongoing communication on the effectiveness of the facility and discuss needed changes to the project. The coaching role of BTC focuses on the learning aspect of the facility and it’s over time increasing operational effectiveness.

3.7.2.2 Discussion of management risks

Risks	Risk Level	Alleviation measure
Risk of incompatibility between Vietnamese and Belgian regulations	Low	Explore and use room provided in ODA law to define co-management modality in agreement with MPI
Risk of un-transparent Short Term Action/seed fund activities disbursements	Low	Define clear procedure for use of the budget in the POM
Lack of facility transparency risk	Low	All regulations, guidelines, criteria are published on website web site which allow downloading of key documents; all key information and news on the facility and the calls is published.

Risk of incompatibility between Vietnamese and Belgian regulations

There is a risk that the Vietnamese and Belgian regulations with regards to ODA might be incompatible in relation to the GGSF and the Facility. To address the relevance of this risk, the various ODA rules have been reviewed by the formulation team and a solution to this potential risk has been identified.



Risk mitigation: Effectively the GGSF will be implemented under a co-management modality. This is possible within the Vietnamese ODA Management legal framework (ODA management Degree 131). This degree indicates that specific provisions in project design can be made under article 10, section 2, sub section C, which states *“Clear identification of differences in regulations and procedures between Vietnam and the donors, working out necessary measures for implementation of procedures and regulations of both sides.”*

This means that BTC can set standards that go beyond different Vietnamese laws with regard to project management, tendering processes, accounting and auditing. (Note that within the GGSF a call mechanism will be used rather than a tender. The difference is that a tender prescribes in great detail the services and works that will need to be provided. A call on the other hand publishes a number of selection criteria that an action will need to oblige to but does not set out the precise outcome of the action as the proponent is asked to specify this as a response to the call. Furthermore the Facility will not fund works but mainly services e.g. advise studies, training, pilot projects, etc. etc...)

Effectively a large part of the risks in this project will be managed with the specific guidelines in the POM, FOM and a specific action call mechanism which will be developed under the guidance of the ITA. Importantly the POM, FOM and the call mechanism would need to be mutually agreed on by MPI and BTC after which BTC will issue a no-objections statement. Once the guidelines and call mechanism are in place these will be monitored by a BTC controller and reviewed in a yearly independent audit. Yet another important building block in the risk management is the application of Belgium cost norms/thresholds at which indicate what activities need to be tendered or need

receive a no objection from BTC.

Risk of un-transparent seed fund actions disbursements

Since a part of the funding will be spent without a call mechanism through a so called seed fund line, there is a risk that this budget would be disbursed in an un-transparent manner.

Risk mitigation: Clear rules and procedures need to be developed to manage expenditures under the seed fund budget lines. These rules and procedures have been presented in Annex..

3.7.3 Effectiveness risks

Risks	Risk Level	Alleviation measure
Lack of inter-departmental collaboration risk	Low	Use integrative mandate of MPI to disseminate experience and method developed through the project to other ministries and other sectors
Lack of interest in green actions	Low	Focused communication and promotion about and on the Facility to target group
Lack of relevancy risk	Low	Use call mechanism allowing respondent to shape intervention relevant to deal with barriers they face High demonstration value of successful barrier removal that leads to green actions
Macro issues beyond the project control in relation to limited capacity and miss allocation of resources	Low	Hard to control issue but best dealt with by using a realistic approach of ability of people and organizations. Putting the needed controls in place to prevent corruption

Lack of inter-departmental collaboration risk

Any project focusing on a cross-cutting issue like environment runs the risk to get bogged down by the divisions between different state agents. In almost any country there are known turf wars among ministries or between provincial departments. This risk is in Vietnam somewhat more pronounced as the state organizations are laid out along the lines of a pronounced vertical pillar structure that runs from the national level all the way down to district and ward level. Great effort is made to coordinate at national level to harmonize cross cutting interventions that touch on the mandates of different ministries. However, once initiatives taken at the national level come at provincial level the communication between the different “pillars” is limited. Indeed the role of the Provincial People’s Committees (PPC) is important here as an integrative agency.

Risk mitigation: The risk of project activities being hampered by inter-departmental strife in this project is mitigated by the fact that MPI is the implementing agency. MPI has a strong mandate which has as one of its core function to support other ministries and ensures that different state agencies do not work at cross purpose. The implementation risks have been further mitigated by the set-up of the Facility with a clear focus on Green Economy activities describes in the Green Growth Strategy of Vietnam. This clear and relatively easy to measure target will help guide cross-pillar collaboration.

Furthermore, investment-planning, review and approval are in the MPI's mandate which allows MPI to use its existing systems to guide investments. So the GGSF as designed now plays to the strengths of MPI. Moreover, the project design put MPI in a position that it is not seen as straddling into the environmental protection mandate of several other ministries but "sticks with planning and investment". It will help MPI developing explicit knowledge and experience on green investment strengthening its core mandate and influence at national and provincial level planning and investment processes. Important, as noted earlier, for this approach to be disseminated is that specific attention should be given to involve at provincial level not only the DPI but also the PPC in how they review investments.

Lack of interest in green actions

A risk is the potential perception that green actions cost money and are therefore not interesting for commercial organisations.

Risk mitigation: To address this risk, the GGSF and Facility focus on interventions that are commercially attractive while at the same time producing environmental benefits, and for which financing on concessional terms can be obtained.

Lack of relevancy risk

A risk in any project is that it supports interventions that only work within the specific project set-up but that cannot be replicated after the project ends.

Risk mitigation: By focusing on the enabling environment the project stimulates replication by making subsequent investment in green options easier. Besides this the Facility aims to engage proponents in their particular setting and context. This contextualisation ensures that activities funded are not shaped by the GGSF but rather the other way around.

Macro issues beyond the project control

Two macro issues that will influence the effectiveness of this project are HR & organizational capacity and governance. Capacity gaps of organizations and people have been considerably reduced the last decennia by direct training through projects and improvement of curricula in schools and universities. Still with the growth of the private sector and better salaries there it is hard for the government organization to attract and retain good staff. Important in improving work conditions for civil servants have been the implementation of ODA funded projects that provide better budget to implement activities but also ensure interesting salary supplements (provided from the Vietnamese state budget) for staff members.

The second risk stems from the at times weak enforcement of rules and regulation in combination with possible corruption. Public administration reform is high at the agenda of the government and donors and progress is being made. However, the effectiveness of the governance framework and more importantly the culture within government organizations still pose obstacles to reliable and efficient project implementation and dissemination of project results.

Assumption: These macro issues are hard to influence with one single project but have a potential big impact on the implementation of the GGSF. This risk can only be reduced to a limited extent and should be seen as a risk emanating from the overall operational environment of the project. It has to be assumed that that these issues do not become major barriers towards implementation.

3.7.4 Sustainability risks

The sustainability-risks involved in this project take several forms. Firstly there is sustainability of the activities funded by Facility, secondly sustainability of experiences (methodological approaches, lessons learned) gained from activities funded and thirdly the sustainability of the Facility itself.

Risks	Risk Level	Alleviation measure
Lack of sustainability of Facility funded activities risk	Low	Demonstration of win-win of green initiatives and barrier removal make follow up/replication investments easier
Lack of sustainability of experiences risk	Low	Experience and methodologies gained and developed on facilitating investments feed into the core mandate of MPI related to investment planning and improvement
Lack of sustainability of the Facility risk <ul style="list-style-type: none"> • Due to low interest and by donors • Due to an unfavourable environment that the GGSF and Facility would not be able to sufficiently change. 	Low	Proof performance of facility as a well-managed mechanism towards donor and users Focused support to facility to remove barriers will improve possible impact of facility overtime in terms of facilitating investment in green growth

Lack of sustainability of the Facility funded activities risk

There is a risk that activities funded through the Facility cannot be sustained after the end of the funding of the GGSF.

Risk mitigation: The Facility will focus on triggering investments. Once approaches have proven to be able to deal with obstacles or have helped to permanently remove obstacles to green investment, further investment will follow. So the sustainability of the core activities supported with the GGSF is linked to the impact they have on the investment climate for public and private funds.

Lack of sustainability of experiences risk

The second concern with regard to sustainability relates to the experience gained from funding different initiatives to encourage green activities, in other words the methodological approaches employed with regards to barriers and constraints identification and removal as a method of policy

formulation and implementation.

Risk mitigation: The sustainability of this experience is in potential quite high as activities will relate largely to planning and investment issues. These two issues make up the core mandate of MPI. The GGSF will help with developing and using new methodologies building up the experience of MPI staff. The knowledge and experience gained with the different actions will influence the way other planning and investment process are structured and which green priorities are set in the future by MPI.

Lack of sustainability of the Facility risk

Some sustainability risks can be identified related to the continuation of the Facility activities beyond the planned life span of the GGSF and the Belgium support

- 1) The first is in relation to continuing support by donors. Despite the possibility of the Facility being used for the disbursement of Vietnamese funding the reliance in the immediate years to come on donor support will be considerable. .
- 2) Another external existential risk to the long term sustainability of the Facility depends largely on the context it is operating in, and to the extent that the Facility can be used to influence this context. Some obvious risk that emanate from the Facility's surrounding are among others whether the Facility will be unable to: i) proof viability and sustainability of investments made, ii) improve the investment climate iii) demonstrates effectiveness in devising measures for barrier removal; iv) develop sustainability of the methodological and analytical approaches.

Risk mitigation: Risk mitigation comprises:

1. MPI has committed itself to promote the Facility with donors and has already made some headway in attracting additional funding for the Facility from other donors. Attracting additional funding hinges on the facility demonstrating limited “internal risk” by the proven transparent and efficient operation of the facility, which is squarely in the hands of the Facility management
2. These identified risks can only be offset by proving the effectiveness and efficiency of the Facility. The Facility development and use is designed in such a way that regular monitoring and evaluation generate inputs to improve the facility overtime and deal with these risk by adapting the Facility to these risk emanating from its external environment.

3.7.5 Fiduciary risks

The fiduciary risks of this project have been well discussed and are known from other Belgium projects currently being carried out in Vietnam. Main issues are the relative weakness of the existing Vietnamese regulatory framework for project implementation. Possible other weaknesses relate to technical and financial management and there are known instances where financial regulations are not respected or ignored.

Risks	Risk Level	Alleviation measure
Risk of an ineffective GGSF and Facility governance framework	Medium	Mutual agreement of governing frame work and good communication and mutual understanding of controlling

		<p>requirement of Belgium and Vietnam</p> <p>Emphasis on process control and efficient administrative procedures</p>
Risk of inconsistent use of agreed governing processes	Medium	<p>Use of controller mandated to monitor used selection and administrative processes</p> <p>Controller tasked to advise on effective use of POM and FOM to ensure timely project delivery and good oversight by BTC at the same time</p> <p>Controller asked to identify short coming in facility governing framework and advise on improvements</p>
Risk of inconsistent use of contracting and administrative standard on all project levels	Low	Ensure

Risk of an ineffective GGSF and Facility governance framework

Much of these risks presented here have already been discussed as management risk of the project. Dealing with the various fiduciary risks can be done by proper clarification of mandates between different actors in the project. Core to this issue is the ability of BTC to review and monitor the processes that are being used to run the facility.

Risk mitigation: During the set-up phase a governing mechanism will be developed to manage the GGSF and the Facility that satisfies the regulatory instruments and control mechanism required by both Belgium and Vietnam. Once this drafting process, largely managed with the help of ITA, is completed and both partners in the project are satisfied with concrete management system capture in the POM and FOM, BTC will issue a statement of no objection. The collaborative approach of developing the POM and FOM should be used to avoid that heavy administrative procedures are imposed on the project. This collaboration should also build up the understanding of the governing and control framework of the GGSP that need to be in place to satisfy control and oversight requirements of both partners in the project.

Risk of inconsistent use of agreed governing processes

Further fiduciary risk stems from the possibility that process as described in the POM and FOM are wrongly interpreted or ignored.

Risk mitigation: In order to support the effective and transparent use of the agreed governing mechanism the project will be supported by a controller based in Vietnam. The oversight and

backstopping provided by a controller should assure the timely completion of activities and disbursement of funding. The role of the controller is not to make decisions on the projects but to keep checks on the use of the predefined process. This way, no-objections statements of BTC can be issued in a timely manner and based on good information. The ToR of the controller could emphasize its role as an enabler, ensuring smooth and timely run control processes, action implementation and disbursement. The controller will also be task to flag important omissions in the regulatory framework of the Facility as a way to strengthen its use overtime as an effective avenue to support the implementation of the Vietnam Green Growth Strategy.

Risk of inconsistent use of contracting and administrative standard on all project levels

Since this Facility will fund action implemented by contractors who at times might need to recruit sub-contractors some additional risks can emerge.

Risk mitigation: This risk can be reduced by setting out clear guidelines for subcontracting as part of the Facility rules. These rules would be very similar as those between the facility and contractor. Amounts spend by contractors on sub-contractors will often be considerably smaller than those spend by the Facility. This reduces the risk for the project somewhat but more importantly is to ensure that contractor will follow guidelines of the facility by making sure they are fully informed. To this aim, before the Facility signs contracts with contractors the actual contract and all the stated obligations are reviewed with the contractors during a contract explanation workshop. Furthermore contractors should be made aware of the fact that auditors will be asked to review their project.

4 RESOURCES

4.1 Financial resources

The Belgian contribution amounts to EUR 5,000,000. The detailed budget, including the provisional disbursement chronogram, is given in the table at the end of this chapter.

The Vietnamese contribution amounts to EUR 500,000 and will consist of a support to the Facility (€ 300,000) and other activities such as control, coordination, communication, training & capacity building... (€ 200,000).

Proponents who react to one of the calls will be requested to provide a 10% own-contribution to the project budget, either by making budget available or through non-monetary contributions. The selection criteria used to select the proposals of proponents will need to specify what sources of non-monetary contribution will be considered to be valid as own-contribution. These own contributions will not be reflected in the GGSF project budget below, but will be included in the action proposals. For example, if a contribution is provided in kind through staff time, then the amount of staff time provided need to be clear, and it needs to be explained to what outputs they contribute. The relevance and feasibility of this condition will be evaluated during project implementation and might be revised accordingly.

In order to facilitate the start-up of the intervention, commitments and expenses may be made before the signature of the Implementation Agreement between Belgian Government and BTC. These shall concern IT-equipment and recruitment costs related to human resources for a maximum amount of EUR 25,000.

HR recruitment :	EUR 10,000
Investment (IT/office equipment) :	EUR 15,000

BUDGET Green Growth Strategy Facility (GGSF) - Vietnam			Modality	Budget Belgium (€)	Budget Vietnam (€)
A		Specific objective : A Facility to support the implementation of the Vietnamese Green Growth Strategy is created and operational		3,165,000	430,000
A	01	R1: A support Facility is created and developed		430,000	
A	01 01	Studies to develop the facility	CM	230,000	
A	01 02	Development of the different tools for the call for proposals	CM	70,000	
A	01 03	Set-up of the monitoring and evaluation strategy	CM	50,000	
A	01 04	Facility operational manual (FOM) and Project operation manual (POM)	CM	50,000	
A	01 05	Publicity and workshops to explain the application process and documentation requirements	CM	30,000	
A	02	R 2: Green growth capacities & MPI leadership increased		200,000	60,000
A	02 01	Training needs assessment for MPI and capacity building	CM	110,000	60,000
A	02 02	Coordination activities	CM	10,000	
A	02 03	Capacity building activities for the other actors	CM	80,000	
A	03	R 3: Piloting activities in 3 provinces are supported		920,000	-
A	03 01	Pilot support to provinces green strategy action plans	CM	320,000	
A	03 02	Seed Fund for Short Term Actions	CM	600,000	
A	04	R4: 4. The Facility supports, through a call for proposals, green growth initiatives throughout the country		1,440,000	320,000
A	04 01	Launch of 3 calls for proposals	CM	18,000	
A	04 02	Screening against eligibility criteria and selection criteria	CM	24,000	
A	04 03	Contracting & Implementation	CM	1,350,000	
A	04 04	Vn contribution			320,000
A	04 05	Support and advice to activities on the field	CM	48,000	
A	05	R 5: Good practices disseminated and replicated		175,000	50,000
A	05 01	Elaboration and updating of a communication strategy for the facility	CM	35,000	
A	05 02	Awareness campaign towards provinces, actors of selected sector	CM	110,000	50,000
A	05 03	Capitalization	CM	30,000	
X		Budgetary reserve (max 5% * total activities)		67,800	
X	01	Budgetary reserve		67,800	
X	01 01	Budgetary reserve Co-management	CM	34,000	
X	01 02	Budgetary reserve Own-management	OM	33,800	
Z		General means		1,767,200	70,000
Z	01	Staff expenses		1,257,000	40,000
Z	01 01	International Environmental & Development Economist	OM	540,000	
Z	01 02	International expert financial match making	OM	75,000	
Z	01 03	Local controller	OM	144,000	
Z	01 04	Local Environmental economist (project coordinator)	OM	180,000	
Z	01 05	Local Tender specialist	CM	60,000	
Z	01 06	Local communication specialist	CM	96,000	
Z	01 07	Accountant	CM	50,400	
Z	01 08	Administration staff	CM	111,600	
Z	02	Investments		33,000	-
Z	02 01	Office equipment & furniture	OM	8,000	
Z	02 02	IT equipment	OM	20,000	
Z	02 03	Office improvement works	OM	5,000	
Z	03	Operational expenses		275,200	30,000
Z	03 01	Office rent	OM	108,000	
Z	03 02	Services and maintenance costs (incl. utilities)	OM	36,000	
Z	03 03	Transportation costs	OM	28,800	
Z	03 04	Telecommunications	OM	21,600	
Z	03 05	Operation costs	OM	46,800	
Z	03 06	Representation and external communication costs	OM	24,000	
Z	03 07	Legal advice	OM	10,000	
Z	03 08	Other operational costs (on VN budget)	OM		30,000
Z	04	Audit and Monitoring and Evaluation		202,000	
Z	04 01	Monitoring and Evaluation costs	OM	80,000	
Z	04 02	Consultancy for quality control of calls outputs (studies, pilots, trainings...) of the facility	OM	30,000	
Z	04 03	Audit and organisational assessment	OM	68,000	
Z	04 04	Monitoring and Backstopping (BTC)	OM	24,000	
TOTAL				5,000,000	500,000

Own management (OM)	30%	1,483,000
Co-management (CM)	70%	3,517,000

4.2 Human resources

4.2.1 Recruitment and appointment of staff

BTC will recruit the technical assistance staff with the consent of MPI.

MPI will appoint the Director, the Deputy Director and the Chief Accountant with the consent of BTC.

The PMU Direction will recruit the support staff upon consent of the BTC representation and MPI.

Important is that core staff, such as the Project Director and Deputy Director are promptly designated by MPI and that project coordinator (Local Environmental Economist), International Environmental & Development Economist, and Local Controller are recruited in a timely manner since they will be needed to develop the Project and Facility Operational Manuals.

The project coordinator should be present for the whole duration of the intervention, the International Expert EDE shall be present 3 months after the start of the project, contracted for 36 months including a period of at least 21 months consecutively at the start of the project.

The local controller will be hired by BTC Representation in Hanoi, where the local controller would also be located. This person will be recruited as soon as feasible to be able to give inputs in the development of the financial and administrative structures of the GGSF and the Facility.

The PMU management team (Director, Deputy Director) is responsible to organize and kick-start the rest of the staff recruitment process under PMU contract. BTC Project Coordinator and BTC Representation will assist in the process.

Further support to kick starting the project in terms of recruitment of the project team members is provided by the Vietnamese coordinator from the TSU that will ensure coordination between the pilot interventions of the GGSF and the climate change program at provincial level (Result 3).

4.2.2 Staff to be recruited

The following human resources are to be recruited by the project or appointed by the MPI.

The Facility staff is intended to be a sustainable structure responsible of the management of the Facility. The PMU which will create the Facility, will follow the VIE ODA regulation.

Function	Duration in Months	Appointed by	Funded by
PMU Director (10%)	72	MPI	MPI
PMU Deputy Director (50%)	72	MPI	MPI
PMU chief accountant (100%)	72	MPI	MPI
Local communication specialist	48	PMU	BTC
Local Tender specialist	30	PMU	BTC
Administration assistant	72	PMU	BTC

Interpreter/Translator	72	PMU	BTC
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Technical assistance staff is intended to be temporary positions which main purpose will be to facilitate the execution of this project. To respect Belgian obligations in terms of management of cooperation projects, one of the position will assume the role of BTC project coordinator, and another one will guarantee proper administrative and financial internal controlling.

BTC Project Coordinator, Local Environmental economist	72	BTC	BTC
Accountant	72	BTC	BTC
Local Controller	72	BTC	BTC
International Expert, Environmental & Development Economist	36	BTC	BTC
International Expert financial match making	5	BTC	BTC

4.3 Material resources

4.3.1 Materials for the GGSF

The material and equipment procured in the framework of the project will mainly consist of office rental, office and ICT equipment. The office space will be shared with another BTC supported project, the Technical Support Unit (TSU). The use of the car will be shared with the TSU, the running costs and the salary of the driver being shared between both projects.

4.3.2 Materials for the activities funded with the Facility

Material resources requested for activities funded with the Facility will be strictly regulated through proposal format and guidelines published as part of each call.

It is mostly the activities needed prior to an investment (feasibility studies, environmental impact assessments, costs of consultants assisting in financial matchmaking) which will be eligible for funding through the GGSF. However, small investments such as pilot or demonstration projects could be considered according to the criteria stated in the FOM. Some limited funding will be made available for consumable items needed to implement the activities.

5 IMPLEMENTATION MODALITIES

5.1 Phasing of the project

In order to create and operationalize the Facility, the project will be rolled out in various phases.

Phase 1 : start-up of the project (6 months)

Phase 2 : creation of the Facility, green growth capacity building and pilot activities in the three provinces where BTC implements Climate Change related projects (18 months).

Phase 3 : call for proposals conducted by the Facility and continuation of capacity building activities (42 months).

Phase 4 : closure of the project (6 months)

Once the Facility is created (with its procedure manual available) and operational and before launching the first call for proposals, an organisational assessment will take place to assess whether the Facility reaches the required level of financial, procurement and operational performance (see 5.3 hereunder).

5.2 Implementation and follow-up structures

5.2.1 Steering Committee

A Steering Committee (SC) will guide and direct the project. The SC will include the following representatives as voting-members:

- The vice-Minister of MPI, or his delegate, as chairman. Due to the prominent role of the Steering Committee's chairman to ensure smooth and efficient decision-making process for the intervention, high attention will be given to ensure this position is effectively and timely filled;
- The Resident Representative of the Belgian Technical Cooperation (BTC) as co-chairman;
- A representative of the Ministry of Finance (MoF);

The Project Director, the deputy director, the project coordinator and the International expert, when present in Vietnam, will participate to the SC as observers and assume the secretariat of the meeting.

The chairman and the co-chairman can invite different stakeholders, as non-voting members, to attend the meeting such as representatives of the different provinces where the activities related to the different call for proposals will take place.

Responsibilities of the SC

The SC represents the highest coordination and management level of the project. It is responsible for providing the necessary strategic guidance to all project implementers and will support the project management in timely manner.

The SC is not only responsible for overseeing activities supported by the GGSF but will also keep tabs on the effectiveness of the Facility as mechanism to help achieve the strategic goals as set out in Vietnamese Green Growth Strategy. The SC can after unanimous agreement make changes to the operational mechanisms of the GGSF. Important is that the SC supports the project at a strategic level with a long term perspective of the effect of the project and the disseminated findings of the funded activities. The monitoring role of the SC members relates to effectiveness of the project and

Facility structure and check whether the agreed processes to run the project are correctly used.

The SC will assume the following responsibilities:

- Ensure that the roles and responsibilities of the different agencies and entities involved in the project are clearly defined;
- Approve the project set-up report, detailed six-months action plan and annual action plan;
- Provide implementation and policy guidance to all project stakeholders;
- Appraise the state of progress of the project and the achievement of its results and specific objective;
- Approve the selection results of the calls for proposals;
- Approve consolidated progress and project financial reports and budgeted work plans prepared by the project;
- Based on the progress and financial reports as well as audit reports, approve the submission to BTC of the requested documents for fund transfers;
- Approve reports related to the disbursement and use of project funds based on the consolidated six-monthly budgeted action plans;
- Approve modifications of activities, modalities and budget realignments provided that such modifications do not alter the project's general and specific objectives nor its overall budget, and follow ad-hoc BTC and Vietnamese procedures;
- Approve proposals related to modifications of project indicators;
- Seek approval of both Governments for modifications to the validity of the project's Specific Agreement, changes to Specific objectives, duration of the Specific Agreement and the project's overall budget;
- Ensure that annual external audits are carried out by an accredited accounting firm, appraise any findings and recommendations and follow-up their implementation. Based on the conclusions of the audit reports, the SC will eventually decide to make the audit bi-annual;
- Ensure that the mid-term review and the final evaluation are carried out in time, as well as appraise their recommendations and follow-up their implementation;
- Approve action plan related to the closing process (planning, last operational and financial commitments), the final report and the final closure of the project, following the procedure mentioned in the guideline "Closing Procedure" provided by BTC.

Operating Mode of the SC

The SC must meet at the end of the set-up phase to approve, among others, the baseline of the project and the updated activity and financial planning. Thereafter, the SC will meet, at least, every six months. The final SC meeting will be organized about 3 months prior to project completion. During this meeting the draft final report will be presented for approval.

Additional SC meetings may be held upon request of one of its members.

The SC will establish its own internal rules and take decisions generally by consensus of the members. This includes the choice of the location of the meetings.

The PMU Director will propose the agenda of the SC and present the PMU 6 monthly reports as defined hereafter and in the POM for approval. A copy in English and Vietnamese of that report will be transmitted to all members of the SC at least 6 working days before the SC.

Minutes of the meeting of the SC as well as amended reports with comments and recommendations from the SC members will then be transmitted at the latest one week after the meeting to all the members of the SC and to the Attaché for International Cooperation through BTC Representation in Hanoi.

5.2.2 Project Management Unit (PMU)

The PMU is the official structure created following Vietnamese ODA regulation in order to manage this project. It will assume the operational management of the activities of the project, among others the creation of the Facility. The procedures of its functioning will be described in the POM (Project Operational Manual). The POM will be written during the starting phase (phase 1) of the project, describing into details all the procedures related to the execution modalities (cf. activity 1.4).

The created Facility management procedures will be detailed in a FOM (Facility Operational Manual). The FOM will be written during the phase 2 of the project.

The POM and the FOM will be validated by DENSRE and BTC before being enforced.

The direction of the PMU is composed of:

- The PMU Director
- The PMU Deputy Director

The direction of the PMU will be assisted by

- BTC Project coordinator (National Environmental Economist)
- International Expert, Environment & Development Economist, acting as advisor

Those four (4) positions will compose the direction of the GGSF project.

The daily management of the project will be assured by the project coordinator.

The direction of the project will be supported by an **administrative team** composed of a full-time accountant, a full-time financial controller, a full-time translator-interpreter, a tender specialist (30 month – duration and input directly related to the calls and their evaluation) and a full-time administration assistant.

A medium term international expert in financial match-making (5 month) will be contracted. In addition, substantial budgets for short and medium-term consultancies and expertise in various domains are provided for in the project's budget.

BTC backstopping (covering technical, managerial and financial aspects), external audits and evaluations will also bring support to the project's team.

The PMU ensures the timely execution of all planned activities. Furthermore, it is responsible for the detailed administration and reporting on project activities, including the call for proposals, the contracting and the disbursement of funds. The PMU should also ensure that the Facility gathers and disseminate important lessons learned from activities funded. To this aim it develops communication activities but also uses its formal and informal network to promote mechanisms that will reduce barriers to green investments and stimulate different actors in the public and private sector to set Vietnam on a green growth trajectory. The PMU is firmly embedded in the MPI ensuring that lessons

drawn from the GGSF can be fed-back into the Ministry.

MPI and BTC will guarantee, according to their respective responsibilities, that the PMU is fully operational during the whole duration of the project, with the minimum staffing as defined in chapter 4. The staff will be based at the PMU premises (Project's Office). Additional short term international and local expertise supports and consultancies are planned to help the PMU with specific tasks. The need for these additional expertise should be planned in the half yearly action plans.

The direction of the project will make sure that the human resources are adapted in consequence in order to guarantee the quality of all the interventions.

Responsibilities of the PMU

The PMU will be in charge of the following responsibilities:

- The daily management of all activities as defined in the TFF;
- Ensure that all activities outputs are linked to the results and specific objective through a close monitoring based on pre-defined indicators;
- The administrative support of the SC (secretariat, agenda, documents, minutes, dissemination of minutes);
- The effective operation of the set-up and pilot phases;
- Prepare a project Operational Manual (POM) to manage the project and activities;
- Prepare with external support the Facility Operational Manual (FOM) which describes the process and criteria used to publish calls and select proposals.
- Organise and oversee the development and use of the M&E framework that includes the GGSF but also the activities funded through the GGF. This two levels M&E system should be able to provide information required for monitoring of results as described in logical framework for this project;
- Prepare the quarterly activity and financial reports and planning as well as the cash-call file to be submitted to BTC approval;
- Guarantee the proper use of funds;
- Prepare the annual reports and the final report;
- Coordinate with the representative of BTC the issuing of no objection to tender documents and offered contract to bid winners;
- Communicates on the existence, the mandate and the implementation modalities of the Facility through appropriate media channels and solicit additional donor funding;
- Sets-up assessors panel to conduct a technical and financial selection of offered bids and advises the project director on the final selection (directly related to the calls and their evaluation);
- Ensures close collaboration with the winning contractor(s) during the early stages to make sure that the selected bid can be implemented in a timely and effective manner;
- Ensures close collaboration with the contractors to make sure that all sub-contracts are issued on the basis of Quality and Cost selection and activities can be monitored within the results framework;

- Administration of contracts, manage expenditure and process the corresponding payments to contractors selected;
- Reporting on a regular basis on the progress of activities of selected bids in accordance to the results framework;
- Supports, after short listing of proposals, and with the help of the international expert, the drafting proposals by potential contractors to ensure the submission of innovative and relevant final proposals for selection;
- Assists in the monitoring and evaluation by the SC and external monitors of initiatives implemented by the contractors;
- Identifies and communicates to relevant parties on successful green growth interventions and opportunities for scaling up and/or roll-out (applicability / multiplier effect);
- Propose inputs for ToR for review missions as deemed required;
- Facilitates all project's stakeholders' work by providing all necessary information to the external audits and evaluation missions and to guarantee the good execution of their recommendations;
- Follow-up all the necessary administrative procedures for tax and VAT exemption/refund;
- Ensures the adequate closure of the project activities, including the preparation of the final report at the end of the project duration and other needed activities following the procedure mentioned in the guideline "Closing Procedure" provided by BTC;
- Coordinates the execution of the project in accordance with the project work plans approved by the PSC.

Operating Mode of the PMU

The PMU will report directly to the SC in terms of activities and results linked to the project. It will also provide all required information to the BTC representation in terms of administrative and finance reporting, as described below.

Through project orientation workshops, presented by the PMU, a thorough understanding of the PMU roles, responsibilities and function as a project coordination mechanism will be introduced to all stakeholders.

5.2.3 Call response assessors

The call response assessors are technically not part of the project organization structure. However they play an important role in ensuring the quality of the selected actions through the calls as the assessors have a the necessary technical background to review the proposed actions. Using assessors will make the call for proposals tool of the Facility fair and transparent as they assist the PMU in the selection of proposals on technical merits.

The assessors support the PMU as they rank the received proposals by scoring them against a pre-defined set of criteria. The use of independent technicians to do the scoring is important to support MPI, its staff having only a limited technical knowledge, including on environmental issues. The use of assessors aims at improving the performance level of MPI, at enforcing selection credibility, and allows staff of the ministry, or the project, to focus and specialize on other tasks.

The assessors allow for a much higher level of quality in decision making by the PMU in terms of

selecting the best proposals but also by applying purely technical requirements for selection resulting in fair and replicable results based on the quality of the proposals. This will make the Facility over time more attractive to possible proponents.

The criteria and disposition for hiring assessors will be defined in the FOM and POM. Their terms of references will be defined in accordance with the themes and sectors chosen for each call.

The assessors will be selected collegially by the Project direction and submitted to approval to MPI and BTC.

The duration of the contract of the assessors is dependent of the positive evaluation of the call for proposals tool.

5.2.4 Technical Support Unit (TSU)

The TSU is the Technical Support Unit set up to give back stopping and coordination of activities related to the BTC projects in the field of water management and urban development in relation to climate change in the Provinces of Ha Tinh, Ninh Thuan, Binh Thuan and Binh Dinh.

The TSU will be an important conduit to channel support to the three provinces for the implementation of the pilot activities and the seed Fund of the present intervention. The TSU will also ensure coherence between the mitigation and adaptation measures developed within those 3 provinces.

TSU will provide back stopping support to GGSF PMU with tender procedure in terms of drafting Terms of Reference and ensure due processes. The TSU will also provide inputs during the set-up phase of the GGSF project in particular in drafting ToR to recruit the first TAs besides inputs in the establishment of a coherent M&E framework.

The experts based in the TSU will work closely with the GGSF, subject to sufficient time available after carrying out the responsibilities for the Climate Change Program. Similarly, the experts of the GGSF, according to their available time and fields of expertise, will contribute to the good execution of the CC program.

For reasons of economies of scale the two PMUs will be housed in the same office funded through the donor contribution.

5.2.5 Supporting role of the BTC Representation in Hanoi

BTC representation in Hanoi will provide support to the PMU in project management and finance related issues. More specifically it will:

- Advise the PMU and the recruited consultants in developing the Project Operation Manual (POM);
- Advise the PMU on management, making sure that the principles, rules and regulations set in the operation modalities chapter of the TFF (see chapter 5), and the POM are properly applied;
- Advise the PMU in the preparation of its work plan (see above), and the reporting, following both GoV and BTC requirements.

Assistance, advices and controlling will be done mainly by the national controller recruited by BTC. S/he will ensure that the agreed procedures for the GGSF, GGF and its calls (call, selection, contracting and reporting) are being followed by the PMU and endorsed by BTC.

5.3 Management modalities

5.3.1 Underlying principles

The project will adopt a combination of Belgian managed funds (own management) and co-managed funds by MPI and BTC (co-management). The director of the PMU will be the authorising officer. The Resident Representative of BTC in Hanoi will be the co-authorising officer.

The management rules of the regular project operations will be described in the Project Operational Manual and the Facility Operation Manual. These two manuals will need to be in line with Belgian guidelines and rules and receive formal approval by BTC.

5.3.1.1 The GGSF project

Except for some limited activities under own-management (such as monitoring), the implementation structure and execution modalities of the GGSF project will follow co-management rules, meaning that the technical and financial responsibilities will be shared between both partners, DSENRE and BTC.

The project will ensure adherence to the most recent UN-EU guidelines, for financing local costs in development cooperation in Vietnam. Deviations should be motivated and obtain approval of the steering committee.

The POM (project operation manual) will be written during the starting phase of the project, describing into details all the procedures related to the execution modalities (cf. activity 1.4).

5.3.1.2 The Green Growth Facility

Following the set-up of the Facility, an independent organisational assessment will be launched to assess whether the Facility reaches the required level of financial, procurement and operational performance.

If the assessment identifies risks to mitigate or is negative, it will recommend additional controlling measures to be endorsed by the Steering Committee and to be implemented by MPI and BTC.

A FOM (Facility operation manual) will be written, describing into details all the procedures related to the execution modalities (cf. activity 1.4).

Minimum criteria for financing by the GGSF through the Facility

The selection process will be described in details in the FOM (see activity 1.4). The general steps can be described as follow:

- The PMU will publish a call for proposals from potential beneficiary contractors specifying the eligibility criteria and detailed requirements. Both the print and electronic media will be used.
- Two categories of evaluation criteria will be applied: admission criteria and selection criteria:
 - **Eligibility criteria:** the PMU will act as a first filter to assess whether the proposal meets the basic administrative requirements to be eligible. Due diligence will be given for this stage of the process.
 - **Selection criteria:** the Assessors panel (see below) will provide a more technical screening. Clear and transparent scoring criteria are defined to assess the quality of

proposals and to select the ones with likely impact on Grew Growth.

This technical selection will also focus on capacity assessment of the proposal authors and fiduciary risk. The former will look at the ability to make effective use of the resources provided by the Facility, including its M&E capacity. The fiduciary risk will focus on internal controls and basic accounting systems.

Table 5.3.1.2.A Preliminary list of eligibility criteria for a concept note to be eligible for financing by the GGSF through the Facility

Admission criteria	
1	Amount solicited – minimum 20,000 €, maximum 200,000 €
2	Maximum duration: 18 months
3	Compliance with the objective of the Facility
4	Impact on vulnerable and disadvantaged areas
5	Submission of due diligence

Table 5.3.1.2.B Preliminary list of selection criteria for a full proposal to be eligible for financing by the GGSF through the Facility

Selection criteria	
1	Maximum additionally about the <u>Environmental impact</u>
2	The improvement initiative is based on a thorough needs analysis and assessment of options by the Beneficiary contractor
3	Potential for roll-out/replication/scaling-up
4	Potential for improved equity in access services / goods from the contractor
5	Impact on poverty reduction and socio-economic development

If for any reason one of the contracting partner fails to produce the outputs defined in the approved work plans, or a contract has to be untimely terminated, the Project Management Unit shall inform the Project Steering Committee.

5.3.2 Administrative responsibilities

5.3.2.1 MPI/DSENRE

The Vietnamese Government has designated the MPI/DSENRE as the project owner. It is the administrative entity responsible for the coordination, implementation and monitoring of the project, and for the Vietnamese contribution to the project.

It has financial responsibility to ensure that all the project funds transferred to project accounts as financial contributions by Belgium and Vietnam are properly used. It is also responsible for the daily

management of the project activities by means of a Project management Unit (PMU).

MPI/DSENRE carries the responsibility to coordinate with other Vietnamese governmental bodies at national and provincial level the activities implemented under GGSF. It will also elicit further donor support for the Facility in order to make it a strong mechanism to help reach Vietnam's goals as set out in the Green Growth Strategy. Besides this MPI/DSENRE will translate and disseminate among relevant stakeholders the lessons learned and results obtained with the activities financed under the GGSF. Not as part of the project but in direct relation MPI/DSENRE will stimulate the development of effective policies and mechanisms which will help Vietnam to consciously balance its economic growth with the use of natural resources.

5.3.2.2 Belgium Technical Cooperation

The Belgian Government designates the Directorate-General for Development Cooperation (DGDC), represented by the Attaché for International Cooperation in Hanoi as the Belgian entity responsible for the Belgian contribution to the project.

The Belgian Technical Cooperation (BTC), represented by its Resident Representative in Hanoi, is the Belgian entity responsible for the coordination, implementation and monitoring of the project and the management of the Belgian contribution. More specifically it will be responsible for the financial and technical management of the Belgian managed budget lines, including the management of the transfers of funds upon positive evaluation and approval of the financial and activity planning reports.

BTC will be responsible for the organization of the external audits and reviews (mid-term and final). This concerns, among others, Financial and Technical Auditors from the Belgian State, Mid-Term and End Term Review, external financial and operational audits and Final Evaluation. BTC will guarantee the correct information of MPI and DSENRE during the whole processes, as well as the institutional dialogue around the output of these audits and evaluations.

BTC will appoint the National Environmental Economist as project coordinator and co-manager.

The PMU is supported in using the agreed procedures by a controller based in the BTC Representation. The controller will also be able to assist the BTC representative with its oversight role and consistent use of the POM and FOM by the project. This position is crucial to the daily management of the project throughout its lifespan due to the complex setting of the project (creation of a Facility) and the various management modalities used.

5.3.3 Technical responsibilities

The technical aspects of the intervention will be under a joint responsibility between BTC and DSENRE.

BTC can ask an unplanned independent technical audit to check the regularity and quality of works, supplies, services and procedures.

All the costs related to the technical supervision and control will be supported by the budget of the project

5.3.4 Financial management

Regardless of the source of funding, all financial resources of the program will be managed transparently and reported in accordance with the principles of joint partnership, as defined by the Paris Declaration and respecting the rules on Public Financial Management.

The financial management of the project will be assured according to two execution modalities.

1. General means and monitoring activities will be managed according to Belgian rules, under the so called “own management” modalities.
2. The project activities will be jointly managed under “co-management” modalities, wherein the financial responsibilities are shared between DSENRE and BTC. The financial rules will be further detailed in the POM and FOM.

5.3.4.1 Budget management

The budget has been defined bearing in mind the following principles:

- All costs are before VN tax; as the project is supported with ODA grant funds, all investment and international support costs are tax exempt;
- In case of investment : Investment costs might be split between BTC and GoV; This split should be easy to manage and auditable (no split per invoice but full part of some investments could be left for one or the other party);
- Land acquisition compensation and resettlement costs, if any, are considered to be 100% counterpart contribution. The project of resettlement and compensation plan, if any, will be subject to "no objection" by BTC, as part of an institutional dialogue among the parties.
- EU costs norms will be applicable for all local consultancies services related to the different activities of the project;
- TA and consultant costs are all inclusive of air travel, accommodation and per diem.

The budget of the project includes the budgetary constraints in which the project must be carried out. The total budget amount cannot be exceeded.

Both parties can revise the allocation by budgetary lines through SC meetings. In every case, PMU must document the budget modifications. The possible budgetary changes are:

- Change of the budget structure;
- Reallocation of means between financing mode;
- Transfer of resources between existing budget lines for more than 5% of each budget line;
- The contingencies budget can only be used for project activities and after approval of the SC. Its use must always be accompanied by a change of the budget.

5.3.4.2 Bank accounts

Under no circumstances, the project accounts can have a debit balance. They cannot receive funds from other sources and cannot serve to finance other activities.

The possible interests generated by these accounts will be deducted from the expense of the project. There will be first and foremost used to cover the banking costs of the account.

Whenever possible, payment through bank transfers will be privileged.

a) Co-management

In a first stage, two bank accounts called "Belgian contribution GGSF" shall be open by BTC for the Belgian contribution at a commercial bank in Vietnam: a main account in EUR and a second one in VND. The main account will be replenished by BTC in quarterly instalments based on the provisions made in the approved action plans. The VND account will be replenished from the main account. They will be operating by double signature, according to the modalities defined in Table 3.

Table 3:

Signature 1	Signature 2	Limit
Project Deputy Director	Project Coordinator	25,000 EUR
Authorizing officer Project Director	Co-authorizing officer BTC Resident Representative	>25,000 EUR The limit depends on BTC rules and regulations.

b) Own-management

For local expenses under BTC own management, an account shall be opened in Hanoi and managed according to BTC procedures.

5.3.4.3 Funds transfer

a) Co-management

First transfer

Following notification of the Implementation Agreement between the Belgian state and BTC, a cash call can be sent to the local BTC Representation per financing mode. The amount requested must correspond to the needs for the three first months. The authorizing officer must sign the cash call for the co-managed part.

Following transfers

In order to get funds, the project must submit a cash call per financing mode to the BTC Representation at the beginning of the month that precedes the following quarter. This cash call must be signed by project management and also by the authorizing officer for the co-managed part.

The amount of the cash call equals the estimated treasury needs for the following quarter including a margin.

BTC transfers funds at the beginning of the quarter. BTC can also propose a specific financing schedule (payments in several tranches or payment upon request).

The fund transfer is only performed on condition that:

- Accounts of the quarter that precedes the cash call have been forwarded to the BTC

- Representation,
- The updated financial planning has been forwarded to the BTC Representation,
 - The amount of the cash call does not exceed the available budgetary balance.

In case of emergency, the project may submit an early cash call but it has to explain the need.

b) Own-management

The funds transfer management for own-management will follow BTC internal procedures.

5.3.4.4 Financial planning and reporting

Quarterly, the GGSF direction will send a financial planning to the BTC Representation based upon six monthly action plans approved by the SC. This planning will be done in accordance with BTC procedures.

At every SC meeting, the project management must present the following *financial information*:

- Budget execution report
- Update of financial planning
- List of main commitments
- Overview of banking balances
- List of funds received per financing mode and payments made by BTC headquarters (only for state management)
- Any budget change proposal, if necessary
- Action plan pursuant to the recommendations of a financial audit

5.3.4.5 Accounting

The accounting of the GGSF will use BTC accounting tools and guideline.

5.3.5 Procurement Management

5.3.5.1 Funds used in the GGF (calls for proposals)

Funds run through the Facility, including the calls, will be managed using the specific guidelines of the FOM, including the controlling mechanisms (see 5.3.1.2).

5.3.5.2 Funds used for other project activities

Procurement of goods, works and services executed in co-management will follow the Vietnamese regulations for public tendering, with the adapted thresholds defined hereunder (table 4). The GGSF direction must endorse the allocation, invoices and payments of contracts in writing.

For the BTC executed budget lines, procurement will be done according to the Belgian law on public tendering.

Upon request, all members of the SC will have access to all administrative, financial and technical documentation regarding project procurement.

Table 4: Procurement procedure to apply and publication requirement

Procedure	Publication	Works	Supplies	Services
Direct purchase Detailed ToR Minimum 3 pro- forma	Not mandatory	Below 5,000 EUR	Below 5,000 EUR	Below 5,000 EUR
Competitive negotiated procedure Detailed specifications Minimum 3 invitations	Invitation to national and/or international bidders subject to the technical complexity of the assignment and the availability of the needed expertise in the country	Between 5,000 and 67,000 EUR	Between 5,000 and 67,000 EUR	Between 5,000 and 67,000 EUR
Open procedure Detailed specifications	Mandatory: Invitation to national and/or international bidders subject to the technical complexity of the assignment and the availability of the needed expertise in the country	Above 67,000 EUR	Above 67,000 EUR	Above 67,000 EUR

5.3.6 Reporting

The quality (reliability, timeliness, completeness) of the reporting will determine the future disbursements for the project.

All reports will be issued in Vietnamese and English. In case of interpretation, the English version will always prevail.

BTC may ask for additional information on the report content and/or additional documents.

Progress reports

The frequency and format of the progress reports shall comply with the harmonized reporting system agreed between GoV and the donors, in accordance with Decision 803 and use its prescriptions and templates.

During the set up phase, on the basis of the PMU and BTC proposals, the first SC will decide on the structure and all necessary templates. If necessary, the Vietnamese system will be completed to guarantee that the reports will include the following requirements:

- Overview of activities executed and results achieved: *this part will identify the difference between what has been planned (on an operational and financial ground) with what has been implemented:*
 - o follow-up of the implementation of the operational planning with a list of the activities implemented;
 - o follow-up of the procurement plan;
 - o if useful, narrative of the activities;
 - o list of incomes and expenses of the previous quarter;

- o budget follow up;
- o cash flow reports (bank account statements and cash reconciliation).
- Analysis of the implementation: *this part will identify the reasons for not respecting the planning, clear action plan with corrective measures, responsible and deadlines.*
 - o identification and description of successes;
 - o identification and description of problems;
 - o a narrative highlighting the discrepancies with the previous periods;
 - o identification and description of risks.
- Activity and financial planning update:
 - o update of the operational planning taking into account the analysis of successes, problems and risks;
 - o update of the procurement planning;
 - o update of the financial planning with a list of main engagements;
 - o The related cash forecast.

Specific information for the SC meetings

The following documents will be presented to the SC:

- (i) The progress reports of the implementation period since the former SC
- (ii) action plans for the following 6 months (compiling information regarding operations, procurement and financial planning)
- (iii) strategic recommendations and / or decisions to be endorsed by the SC

Annual report

The GGSF direction will present annually a result-oriented consolidated report on progress towards results (output and outcome) and concisely assess progress, suggest recommendations to the Steering Committee and highlight lessons learned.

The standards set in the BTC M&E Policy must be respected. The timing will respect the Belgian and the Vietnamese requirements.

Table 6: Reporting Summary

Reports	Responsible	Content	Destination
Quarterly progress report and operational planning	GGSF direction	Progress reporting and planning (activities, finance, tenders, ...)	MPI BTC representation
6-monthly progress report and action plan Prior to a Steering Committee meeting	GGSF direction	Progress reporting and activity and financial planning + strategic recommendations and / or decisions	Steering committee

Annual Report	GGSF direction	Annual progress report (results, activities, budget)	Steering committee Belgian cooperation
External audit reports	Auditing firm	Financial audit + value for money	Steering committee Belgian cooperation
MTR Report	External consultant	External Midterm review	Steering committee + Belgian Cooperation
Final Review Report	External consultant	Final Review	Steering committee + Belgian Cooperation
Final Report	GGSF direction	Provisional acceptance of program activities	Steering committee + Belgian Cooperation

5.3.7 Monitoring & Evaluation

An external mid-term review (MTR) will be performed after 36 months of project implementation and an End of Term Review (ETR) before the closure of the intervention.

The MTR will focus on the performance of the GGSF, verify its realizations and may propose adaptations. The MTR report will be submitted to the SC for endorsement of the proposed recommendations. Consequently the GGSF direction will define an implementation plan of the recommendations in line with the decisions of the SC. The follow-up of this plan will be included in each progress report.

The ETR will focus on the intervention's achievements as well as on its lessons learned. This mission will perform a check of compliance with results listed in this TFF and will capitalize lessons learned.

These exercises will be conducted under the final responsibility of BTC as part of its M&E policy. To strengthen mutual accountability, coordination with similar Vietnamese procedures will be applied if possible. This will be assessed during the set up phase.

The ToR will be drafted by the PMU and finalised by BTC, following BTC template and guidelines.

Follow-up missions from BTC (internal or external personnel) will be performed during the course of the project. The GGSF direction will facilitate and support of the missions needed to perform the above-mentioned exercises.

5.3.8 Financial and procurement audit

5.3.8.1 Vietnamese audits

MPI will share with BTC the reports that result from GoV regular auditing procedures and all other audit reports that would be made available by other donors.

5.3.8.2 Financial and procurement project audits

BTC will deploy an independent qualified audit firm (International Accounting Standards) to audit the dedicated project accounts. BTC will write the terms of reference of the audits. These audits will be financed out of the own-management lines and carried out by the auditors according to the BTC framework contract in force.

The audit reports will be submitted to the SC who will decide on the measures to be taken, if any. This annual external audit will check:

- whether the accounts of the project reflect reality ;
- the existence of procedures and their application by the project;
- the economic and efficient use of funds (value for money);
- the compliance, ex-post, between payments from the specific bank account and the work realised on field and locally, with the supporting documents, kept by the partner;
- the respect of the management procedures of the project including management of all project assets and procedures mentioned in the POM and in the FOM;
- the respect of the public procurement Vietnamese rules and internal regulations;

The audit report has to include recommendations that will be presented to the SC. The PMU will draft a follow-up action plan related to the recommendations of the audit and submit these to the SC. The steering committee can order additional audits if necessary.

If the audit is negative or if the evaluation of experiments using similar modalities appears to be negative, BTC is entitled to submit to the SC a modification of the execution modalities in order to limit the related fiduciary risks.

5.3.8.3 Audit by Belgian external bodies

In accordance with the legal status of BTC, each year an Audit Committee reviews the accounts of BTC. Within this framework, the Audit Committee may also carry out audits of programs in Vietnam. The Audit Committee of BTC may also request that BTC's internal auditor audit a specific program. Those audits are independent of BTC management, therefore it must be accepted that they can take place whenever the Audit Committee judges it useful.

5.3.9 Taxes and Duties

Whatever taxes or duties claimed under the Vietnamese laws and regulations, will be taken in charge by the Vietnamese contribution. The Belgian contribution shall not be used to pay taxes, customs or duties for procurement of equipment, labour and services.

5.3.10 Closure of the project

The partner commits itself to close the specific accounts at the end of the implementation agreement of the project. The SC will be responsible to implement the closing process according the guideline "Closing procedures" of BTC.

One year before the end of the project the SC will validate a closing action plan.

Six months before the end of the intervention, a financial report will be elaborated by the GGSF direction and presented to the SC. BTC will launch the external final evaluation of the project at that time.

Six months before the end of the project, an updated closing action plan and a financial balance (see guideline Closing procedure) will be set up by the PMU and submitted for approval by SC. The last report will, among other issues, list the last commitments, the potential guarantee, advances or any liabilities towards external parties.

Beyond the validity of the Specific Agreement, no expenditure will be accepted except if related to commitments entered into force before the expiry date, endorsed by minutes of the SC's minutes.

The final financial report must be submitted in the next three (3) months after the end of project activities and at the latest six (6) months before the end of the Specific Agreement.

Drafting the Final Report is the responsibility of the PMU that could decide to hire an external consultant for this purpose. The Final Report shall be submitted to the SC members at the final SC meeting for approval. The report will comprise an overview of the realized activities and include a survey of the status and opinion of a representative sample of beneficiaries related to the impact of the Project. The final financial report of the project is also the responsibility of the PMU.

The SC is responsible for recommendation and approval of the final closure of the accounts. The last Project Steering Committee shall decide on the destination of all program equipment, and the remaining financial resources, if any.

After the financial closing of the project, the budget balance will be reallocated to the ICP by mutual agreement during a partner committee.

Regardless of this decision, the bank account balances of the project will be transferred back to BTC immediately after the end of the activities.

5.3.11 Modification of the TFF

The present TFF may be amended by mutual consent of the parties. Careful consideration must be given not to change the present TFF in a way that would unnecessarily change the outcome of the intervention as originally agreed between the parties. A formal agreement by the Belgian and Vietnamese governments is needed for the following:

- Modification of the duration of the Specific Agreement;
- Modification of the total Belgian financial contribution;
- Modification of the Specific Objectives of the intervention.

The request of the above modifications has to be approved and motivated by the SC. The exchange of letters requesting these modifications shall be initiated by the Vietnamese party and shall be addressed to the Belgian Embassy.

The modification of execution modalities will request a formal agreement of BTC headquarters. That modification has to be approved and motivated by the SC.

The following changes to the TFF will have to be approved by the SC:

- The program activities and their respective budget;
- The specific objective indicators and result indicators;
- The composition and responsibilities of the SC;
- The mechanism to change the TFF.

All other changes to the TFF should be approved by the chairman of the SC or his mandated responsible and the BTC Resident Representative, as co-chairman of the SC. The adapted version of the TFF shall be communicated to the BTC headquarters Coordination and to the Attaché for International Cooperation (DGDC).

6 CROSS CUTTING THEMES

6.1 Environment

The purpose of the project is to support green growth through the facilitation of green investments and other green initiatives. According to the sectors which will be selected, several types of environmental benefits can be expected such as reduced CO2 emissions, better energy efficiency, waste reduction or reduced air pollution. Below we discuss benefits from capacity building through better policy development and implementation, benefits from capacity building through better spending; benefits from green action plan development and implementation, benefits from dissemination and replication, and benefits from the creation of the GGF.

Capacity building – better policy development and implementation

Capacity building that relates to policy development and implementation focuses on understanding the decision-making context of other actors, and how these could be influenced through policies and their implementation. Instead of relying on command and control, these policies and implementing instruments are market based. Initially these focus on barrier removal, and gradually, over time, they will move more towards creation of incentives.

Capacity building – better public spending

Better public spending is promoted through capacity building, and takes two forms

- Improved public investment decision-making. Through capacity-building, techniques can be provided that allow a better decision-making in public spending decisions, for example through the use of full-fledged economic cost-benefit analysis with proper valuation of environmental costs and benefits from proposed projects such as large infrastructure projects.
- Green procurement. The GoV accounts for a significant share of total spending in Vietnam. This gives it the possibility to influence the decisions from private sector enterprises by formulating green procurement policies. For example, a decision that all concrete used in Vietnamese government funded construction projects should be low carbon, would have a tremendous impact on the cement & concrete sectors; a decision that new government buildings should be green buildings, the same. Procurement policies can make a big difference that is independent from the choice of project type (which is covered under public investment decision-making).

Green action plan development and implementation

Through the project, several green action plans will be developed and implemented, with the aim of facilitating green initiatives through support of preparation of key approval documents (such as feasibility studies and environmental impact assessments) and financial matchmaking between projects and sources of finance. The development of the green action plans will focus on a barrier removal methodology that can be replicated elsewhere; thus the process of green action plan development itself can be disseminated and replicated. The same holds true for the specific green initiatives: results will be disseminated and replicated.

To provide some concrete examples of what could be facilitated:

- In sectoral green action plans, industrial energy efficiency and cleaner production
- In provincial green action plans, environmental infrastructure such as waste management facilities and waste water treatment plants, as well as measures to improve resource efficiency;
- In green action plans focusing on industrial parks, industrial ecology and cleaner production concepts, as well as waste water treatment plants.

Dissemination and replication

Vietnam has been the recipient of considerable amounts of donor funding through ODA and NGOs. Through these efforts and efforts from the GoV, many valuable environmental projects have been implemented. However, the results, and in particular the good practices, have often not been systematically described, communicated and replicated. The GGSF starts with funding of such good practices dissemination and replication efforts, which could help to further promote successful win-win projects (energy efficiency, cleaner production, biogas, etc).

Creation of the GGF

A last environmental benefit of the GGSF is the creation of the GGF. This Facility can be used to support new and innovative practices, whether in terms of policy formulation & implementation, or whether involving new technologies, that then, if successful, could be replicated.

Green investment is an important focus of the project. Green investments are investments that bring the goal of green growth closer and that have clear environmental benefits. Below are some concrete examples of the project types that involve green investments that the GGSF could support, and the resulting environmental benefits:

- Avoided deforestation, resulting in biodiversity conservation and avoided greenhouse gas emissions
- Afforestation and reforestation, protecting watersheds, protecting land against erosion, sequestering greenhouse gas emissions,
- Energy efficiency in industry and buildings, reducing the use of exhaustible fossil fuels, reducing emissions of greenhouse gases, SO_x, NO_x, and other forms of air pollution
- Cleaner production, reducing water and air pollution loads and the reducing waste through process improvement
- Production of renewable energy, in particular in remote areas, reducing use of fuel wood and diesel, improving the quality of life of rural people and reducing deforestation, air pollution, greenhouse gas emissions, etc.
- Industrial ecology projects, in which the waste stream from one enterprise becomes an input in the production process on another, reducing waste streams;
- Improved waste management through reuse, recycling, and composting or conversion of the organic fraction to energy or fuels; reducing pressure on land, water pollution, and greenhouse gas emissions
- Investment in new waste water treatment plants (industrial and municipal) and fuller utilization of existing waste water treatment plants, reducing water pollution.

6.2 Gender

The project activities identified and further elaborated during the set-up phase have no specific bearing on reducing possible inequalities between the different sexes. Gender issues do not always relate to inequality but more often are about the acceptance that different genders have different needs. Inequality between man and women is more often based on the fact that women have to operate in a world that caters to the need of men.

More in general women are, more often than men, involved in job opportunities needing less qualifications, being under paid and sometimes comprising risks for the health (use of chemicals, non-respect of basic security guidelines..), both in the cities and in the country. The initiatives supported by the project and the Facility will have to demonstrate that special considerations to involve women in job opportunities have been included in the project's design and that safety/security measures have been taken for the benefit of all groups of stakeholders.

Important is to keep in mind that many interventions might have gender dimensions but that it is sometime hard to imagine beforehand what these specific dimensions will be. It is therefore recommended performing a gender sensitivity scan towards the end of the set-up phase reviewing activities and budget allocation on possible gender dimensions.

Already suggested for proposal selection criteria in the Facility are a number of qualitative indicators related to inclusion of poverty and gender dimensions in proposals. Proponents are required to review the possible poverty and gender dimensions they should include making their activity more effective. Important is to note not to punish those proposals that have simply no gender dimension to the activity. Still after proponents have been short listed they will be strongly encouraged to review in their final proposal on which gender dimension should be taken into account to ensure the impact of their project.

6.3 Poverty reduction and poverty alleviation

The project will likely have a positive effect on poverty reduction and poverty alleviation. Several studies have shown that in general, the poorer population is the more exposed to the consequences of air and water pollution. The most common causal chain is a negative health impact that causes losses of work and income, medical bills etc., which the poor cannot afford. These sudden and large additional expenses and losses of income are often the straw that breaks the camel's back, pushing vulnerable groups into permanent poverty. The project will have the long-term impact of reducing air and water pollution, thus reducing the harmful effects of air and water pollution on the Vietnamese poor.

The project's focus is green *growth*, and growth has in several studies been shown to be the main way to reduce poverty. Thus the growth focus of the project should, in theory, also benefit the poor. Moreover, green growth initiatives tend to be more labour intensive than the business-as-usual scenarios, so that the benefits from growth for poverty reduction and alleviation are multiplied for green growth. To make sure this happens however, it will be explicitly required from proponents wishing to benefit from the Facility to explain, in their proposal documents, to what extent their proposal is addressing poor groups interest and take into consideration gender issues. The inclusive dimension of Green economy should not be overlooked in the projects selected to benefit from the Facility support.

6.4 Children's rights

The project does not focus on children's rights, and does not involve beneficiaries that are potentially engaged in employing children, for example. Therefore, the project is expected to be neutral with respect to children's rights. If important, further safeguards could be included in the eligibility and selection criteria, and in the standard forms of contract, to ensure that subcontracts hired with the use of funding from Belgium, through the Facility, will not employ child labour.

6.5 HIV / AIDS

This project does not involve a HIV/AIDS dimension, does not have a direct or indirect impact on HIV/AIDS, and is therefore neutral with regards to this cross-cutting theme.

7 ANNEXES

7.1 Logical framework

	Logic of the intervention	Indicators	Sources of verification	Hypotheses
GO	<u>Global objective</u> The Vietnamese Green Growth Strategy is implemented	<ul style="list-style-type: none"> Realization of indicators mentioned in the final version of the Vietnamese green growth strategy. 	<ul style="list-style-type: none"> Publications by line ministries and the General Statistics Office of Vietnam 	<ul style="list-style-type: none"> Continued political will to “green” growth in Vietnam and to define a clear environmental bottom line beside a financial one Active implementation of the strategy by different government organizations
SO	<u>Specific objectives</u> A Facility to support the implementation of the Vietnamese Green Growth Strategy enables Green initiatives	<ul style="list-style-type: none"> Amount of green investments directly promoted and finance-facilitated by the end of the project exceeds 10 million EUR. Achievement of most of the environmental impact indicators (see Annex) Achievement of most of the anticipated direct environmental impact indicators (see Annex) Achievement of most of anticipated total environmental impact indicator (see Annex) CO2 emission reductions (target to be identified during baseline) 	<ul style="list-style-type: none"> Reporting on actions selected for implementation. Reports on feasibility studies and financial matchmaking. Facility M&E reports. 	<ul style="list-style-type: none"> Continued political support for green growth in the Vietnamese government. The investment climate can be adequately influenced by the project and the green growth strategy Availability of funding for green investments that cannot be funded on market (commercial) terms and/or requires subsidies and/or incentives.

R 1	<p><u>Result 1</u> A support Facility is created and developed</p>	<ul style="list-style-type: none"> • Creation and publication of the operational rules of the Facility (FOM). • Launch of 3 calls for proposals with Belgian funding and additional calls for proposals with funding from other donors. • Full spending of the budget for the Belgian supported calls for proposals • Monitoring and evaluation of the Facility's operation launched • Recommendations for improvement of the Facility's operation followed up on. • Time required to complete a call for proposal cycle (launch to contracting) – target to be defined during set-up 	<ul style="list-style-type: none"> • FOM and its updates. <ul style="list-style-type: none"> • Facility files, • Publication in newspapers, • Publication on websites. • Project reporting. • Facility M&E reports • Funding agreements, • Confirmations from other donors. 	<ul style="list-style-type: none"> • PMU and TA team timely in place in order to formulate all the project and Facility governing documents. • Rapid adoption of finalized POM and FOM by SC and no objection of BTC • Sufficient potential interest in the issue by potential stakeholders • Rapid identification of capacity building activity needs of MPI • Break with governance tradition in Vietnam that once structures have been set up they are hard to change
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R 2	<p><u>Result 2:</u> Green growth capacities & MPI leadership increased</p>	<ul style="list-style-type: none"> • At least 60% of participants in training activities are satisfied or very satisfied about the trainings. • At least 25% of participants have used their specific knowledge to support green investment (as part of the GGSF or outside the Facility) • At least 50% of participants in training activities can utilize the knowledge and skills gained within their organizations within 2 years from the training activities. • At least 60% of the organizations sending participants to training activities are satisfied or very satisfied about the training results. • Studies and consultancies have been completed on time and meet quality criteria as confirmed by PMU and external reviewers • MPI self-assessment and assessment of external observers (donors, etc) that MPI's leadership and coordination capacities have improved. 	<ul style="list-style-type: none"> • Periodic project's reports • Meeting minutes • Full proposals of the selected actions. • Proposal and action implementation reports. • Surveys as part of project M&E. 	<ul style="list-style-type: none"> • Successful coordination of activities by different line ministries, provincial authorities and sector organizations by MPI. • Acceptance of the Advisory Group concept • Use of developed capacity to promote green actions and green investments and procurement. • Time and interest of MPI staff (beyond the MPI staff working at the PMU) to participate in the project and the exposure it provides to new methodologies of policy development
R3	<p><u>Result 3:</u> Piloting activities in three provinces are supported</p>	<ul style="list-style-type: none"> • Green actions plan are developed in the 3 provinces with appropriate tools, budget and chronogram • Concrete interventions of the plan are executed in at least one of the 3 provinces 	<ul style="list-style-type: none"> • Action selection reports • Contracts • Website publication • Action reports • Facility M&E reports • Project reporting 	<ul style="list-style-type: none"> • People Committees and PMUs of the 3 provinces motivated to participate • M&E and reporting system in place robust enough to collect and process outcomes and data from the activities funded through the Facility • Parties interested in funding green initiatives in Vietnam, either on commercial or on concessional terms • Successful coordination of activities between the GGSF and the CC program

R 4	<p><u>Result 4:</u> The Facility supports, through a call for proposals, green growth investments throughout the country</p>	<ul style="list-style-type: none"> • Three calls launched and an action or several actions selected for each call. • More than 90% of the actions selected focus on the removal of barriers and constraints and creating an enabling environment for green growth and green investments. • The approach towards green action plan formulation and implementation is deemed useful and is replicated in at least 3 other sectors / provinces / industrial parks (etc). • By the end of the project, the call budgets will have been fully disbursed. • By the end of the project, the Vietnamese Government and other donors will have contributed to the Facility. 	<ul style="list-style-type: none"> • Action selection reports • Contracts • Newspaper publication • Website publication • Action reports • Full proposals of the selected actions • Facility M&E reports • Surveys as part of Facility M&E exercises • Project reporting 	<ul style="list-style-type: none"> • Interest and capacity among potential proponents to react to the call. • Flexibility and transparency of PMU to test and use the procedures of the calls • M&E and reporting system in place robust enough to collect and process outcomes and data from the activities funded through the Facility • Parties interested in funding green investments in Vietnam, either on commercial or on concessional terms. • Successful coordination of activities by different line ministries, provincial authorities and sector organizations by MPI.
R5	<p><u>Result 5:</u> Good practices disseminated and replicated.</p>	<ul style="list-style-type: none"> • Documents produced and activities organized to communicate on good practices meet quality standards and are appreciated by users • The website is visited by stakeholders and is a valued source on information on Green Economy, GGF and the GGSF • The website is used as a tool for the capitalization of the lessons learned by all actors in the implementation of the Green Economy Strategy 	<ul style="list-style-type: none"> • Action selection reports, • Contracts, • Newspaper publication, • Web publication. • Action reports, • Facility monitoring and evaluation reports. 	<ul style="list-style-type: none"> • Ability of MPI to integrate results and experience into their core mandate of Planning and Investment and communicate on these • Flexibility and transparency of PMU to test and use the procedures of the Facility • M&E and reporting system in place robust enough to collect and process outcomes and data from the activities funded through the Facility

Activities to reach Result 1		Means	Belgian Contribution
R 1	Facility created and developed		Costs in Euros
A 1.1	Studies to develop the Facility	Consultancies, International and national experts with support of PMU management	See detailed budget
A 1.2	Development of the different tools for the call for proposals	Consultancies, International & national experts and LTA with inputs from the GGSF PMU.	
A.1.3	Set-up of the monitoring and evaluation strategy	M&E expert + project team	
A.1.4	Facility operational manual (FOM) and Project operation manual (POM)	Consultancy + project team	
A.1.5.	Publicity and workshops to explain the application process and documentation requirements	Project team	
Activities to reach Result 2		Means	Belgian Contribution
R 2	Green growth capacities & MPI leadership increased.		Costs in Euros
A 2.1	Training needs assessment for MPI and capacity building	Consultancy + project team	See detailed budget
A 2.2	Coordination activities	Consultancy + project team	
A 2.3	Capacity building activities for the other actors	Consultancy + project team	
Activities to reach Result 3		Means	Belgian Contribution
R 3	Pilot activities in 3 provinces supported		Costs in Euros
A 3.1	Pilot support to provinces green strategy action plans	Consultancy, ATI, NTI and TSU	See detailed budget
A 3.2	Seed Fund for short term actions	Consultancy, ATI, NTI and TSU	

	Activities to reach Result 4	Means	Belgian Contribution
R 4	The Facility supports, through a call for proposals, green growth investments throughout the country		Costs in Euros
A 4.1	Launch of calls for proposals	Consultancy, ATI, NTA	See detailed budget
A 4.2	Screening against eligibility criteria and selection criteria	PMU, controllers	
A 4.3	Contracting & implementation	PMU	
A 4.4	Controlling, reporting and closing	PMU	
A.4.5	Support and advice to activities on the field	Consultancy, ATI, NTI and TSU	
	Activities to reach Result 5	Means	Belgian Contribution
R 5	Good practices disseminated and replicated		Costs in Euros
A 5.1	Elaboration and updating of a communication strategy for the Facility	Consultancy, ATI, NTI	See detailed budget
A 5.2	Awareness campaign towards provinces, actors of selected sector	Consultancy, ATI, NTI	
A 5.3	Capitalization	Consultancy, ATI, NTI	

7.2 Chronogram & Budget

On the next pages the project's tentative chronogram and budget (Belgian contribution) are presented. The chronogram presents the main activities (not exhaustive) that will need to be implemented during the several phases of the project (set-up, pilot phase, implementation, closure). The activities have been grouped in sequences.

A more detailed planning will need to be developed during the set-up phase with such a methodology that the planning can easily be further fine-tuned in the 6 monthly action plans.

Chronogram of planned project activities and availability of core project staff (to be refined during set-up phase)		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A 01	R 1 A support Facility is created and developed						
A 01 01	Studies to develop the facility						
A 01 02	Development of the different tools for the call for proposals						
A 01 03	Set-up of the monitoring and evaluation strategy						
A 01 04	Facility operational manual (FOM) and Project operation manual (POM)						
A 01 05	Publicity and workshops to explain the application process and documentation requirements						
A 02	R 2 Green growth capacities & MPI leadership increased						
A 02 01	Training needs assessment for MPI and capacity building						
A 02 02	Coordination activities						
A 02 03	Capacity building activities for the other actors (GGS Steering board, others...)						
A 3	R3 Piloting activities in 3 Provinces are supported						
A 03 1	Preparation activities (seminars, coordination meetings...)						
A 03 2	Support to Provinces Green action plans						
A 03 3	Short Term Actions (seed fund)						
A 04	R 4 The Facility supports, through a call for proposals, green growth investments throughout the country						
A 03 01	Launch of 3 calls for proposals						
A 03 02	Screening against eligibility criteria and selection criteria						
A 03 03	Contracting & implementation						
A 03 04	Controlling, reporting and closing						
A 03 05	Support and advice to activities on the field						
A 05	R 5 Good practices disseminated and replicated						
A 04 01	Elaboration and updating of a communication strategy for the facility						
A 04 02	Awareness campaign towards provinces, actors of selected sector						
A 04 03	Capitalization						
Z	Planning of availability of core project staff (broad indication within limits planning format)						
	PMU Director						
	PMU Vice Director						
	Local Environmental economist (72 m) - Project coordinator						
	ITA, Environmental & Development Economist (36 m)						
	ITA financial match making (5m)						
	Accountant (72 m)						
	Local communication specialist (48 m)						
	Local Tender specialist (30 m)						
	Local Controller (72 m)						
	Translator/interpreter (72 m)						
	Administration assistant (72 m)						

BUDGET Green Growth Strategy Facility (GGSF) - Vietnam		Modality	Budget Belgium (€)	% of total	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A		Specific objective : A Facility to support the implementation of the Vietnamese Green Growth Strategy is created and operational	3,165,000	65%	295,500	796,500	995,500	530,500	516,000	31,000
A	01	R1: A support Facility is created and developed	430,000	8%	185,000	208,000	28,000	3,000	3,000	3,000
A	01	01 Studies to develop the facility	230,000		90,000	140,000				
A	01	02 Development of the different tools for the call for proposals	70,000		45,000	8,000	8,000	3,000	3,000	3,000
A	01	03 Set-up of the monitoring and evaluation strategy	50,000		10,000	20,000	20,000			-
A	01	04 Facility operational manual (FOM) and Project operation manual (POM)	50,000		30,000	20,000				
A	01	05 Publicity and workshops to explain the application process and documentation requirements	30,000		10,000	20,000				
A	02	R 2: Green growth capacities & MPI leadership increased	200,000	5%	42,500	72,500	62,500	22,500	-	-
A	02	01 Training needs assessment for MPI and capacity building	110,000		20,000	50,000	40,000	-	-	-
A	02	02 Coordination activities	10,000		2,500	2,500	2,500	2,500	-	-
A	02	03 Capacity building activities for the other actors	80,000		20,000	20,000	20,000	20,000	-	-
A	03	R 3: Piloting activities in 3 provinces are supported	920,000	17%	50,000	460,000	410,000	-	-	-
A	03	01 Pilot support to provinces green strategy action plans	320,000		-	160,000	160,000	-	-	-
A	03	02 Seed Fund for Short Term Actions	600,000		50,000	300,000	250,000	-	-	-
A	04	R4: 4. The Facility supports, through a call for proposals, green growth initiatives throughout the country	1,440,000	32%	8,000	26,000	470,000	470,000	458,000	8,000
A	04	01 Launch of 3 calls for proposals	18,000			10,000.00	4,000.00	4,000.00		
A	04	02 Screening against eligibility criteria and selection criteria	24,000			8,000	8,000	8,000		
A	04	03 Contracting & Implementation	1,350,000				450,000	450,000	450,000	
A	04	04 Vn contribution								
A	04	05 Support and advice to activities on the field	48,000		8,000	8,000	8,000	8,000	8,000	8,000
A	05	R 5: Good practices disseminated and replicated	175,000	4%	10,000	30,000	25,000	35,000	55,000	20,000
A	05	01 Elaboration and updating of a communication strategy for the facility	35,000		10,000	25,000	-	-	-	-
A	05	02 Awareness campaign towards provinces, actors of selected sector	110,000		-	5,000	25,000	35,000	25,000	20,000
A	05	03 Capitalization	30,000		-	-	-	-	30,000	-
X		Budgetary reserve (max 5% * total activities)	67,800	1%						67,800
X	01	Budgetary reserve	67,800	1%						67,800
X	01	01 Budgetary reserve Co-management	34,000							34,000
X	01	02 Budgetary reserve Own-management	33,800							33,800
Z		General means	1,767,200	33%	324,200	440,200	287,200	252,200	237,200	226,200
Z	01	Staff expenses	1,257,000	24%	240,000	339,000	207,000	180,000	165,000	126,000
Z	01	01 International Environmental & Development Economist	540,000		135,000	180,000	60,000	60,000	60,000	45,000
Z	01	02 International expert financial match making	75,000			30,000	30,000	15,000		
Z	01	03 Local controller	144,000		24,000	24,000	24,000	24,000	24,000	24,000
Z	01	04 Local Environmental economist (project coordinator)	180,000		30,000	30,000	30,000	30,000	30,000	30,000
Z	01	05 Local Tender specialist	60,000		24,000	24,000	12,000			
Z	01	06 Local communication specialist	96,000			24,000	24,000	24,000	24,000	
Z	01	07 Accountant	50,400		8,400	8,400	8,400	8,400	8,400	8,400
Z	01	08 Administration staff	111,600		18,600	18,600	18,600	18,600	18,600	18,600
Z	02	Investments	33,000	1%	28,000	5,000	-	-	-	-
Z	02	01 Office equipment & furniture	8,000		8,000					
Z	02	02 IT equipment	20,000		15,000	5,000				
Z	02	03 Office improvement works	5,000		5,000					
Z	03	Operational expenses	275,200	6%	46,200	46,200	46,200	46,200	46,200	44,200
Z	03	01 Office rent	108,000		18,000	18,000	18,000	18,000	18,000	18,000
Z	03	02 Services and maintenance costs (incl. utilities)	36,000		6,000	6,000	6,000	6,000	6,000	6,000
Z	03	03 Transportation costs	28,800		4,800	4,800	4,800	4,800	4,800	4,800
Z	03	04 Telecommunications	21,600		3,600	3,600	3,600	3,600	3,600	3,600
Z	03	05 Operation costs	46,800		7,800	7,800	7,800	7,800	7,800	7,800
Z	03	06 Representation and external communication costs	24,000		4,000	4,000	4,000	4,000	4,000	4,000
Z	03	07 Legal advice	10,000		2,000	2,000	2,000	2,000	2,000	
Z	03	08 Other operational costs (on VN budget)								
Z	04	Audit and Monitoring and Evaluation	202,000	4%	10,000	50,000	34,000	26,000	26,000	56,000
Z	04	01 Monitoring and Evaluation costs	80,000			40,000				40,000
Z	04	02 Consultancy for quality control of calls outputs (studies, pilots, trainings...) of the facility	30,000				10,000	10,000	10,000	
Z	04	03 Audit and organisational assessment	68,000		6,000	6,000	20,000	12,000	12,000	12,000
Z	04	04 Monitoring and Backstopping (BTC)	24,000		4,000	4,000	4,000	4,000	4,000	4,000
TOTAL			5,000,000	100%	619,700	1,236,700	1,282,700	782,700	753,200	325,000

TFF GGSF (VIE 11 041 11) Final version

7.3 ToR long-term personnel

This section contains the Terms of References (ToR) for a number of the key positions in the project. These terms of references need further review and inputs from the PMU staff and BTC before publishing. BTC can support the PMU with its experience of using certain recruitment channels in order to ensure a good response of potential candidates for the jobs advertised.

Since the PMU will be established by the MPI under specific ODA regulation the ministry staff will be responsible to finalise the ToR's for the positions of Director, Vice Director and the project Accountant. It is advisable to review the ToR's for these functions mid-way the set-up phase to calibrate the tasks and responsibilities better among the PMU/MPI staff and other project staff.

Terms of References are provided here below for the following functions within the project

- Project Director (PD)
- Deputy Director (DD)
- Local Environmental and Development Economist (L EDE) – Project coordinator
- International Expert, Environmental & Development Economist (IE EDE)
- International Expert, Financial Matchmaking (IE FIN)
- Local Communication Specialist (LTA COM)
- Local Tender specialist (LTA TEND)
- Tender and administrative assistance (TAA)
- Local Controller (LC)

7.3.1 Project Director (PD)

Duty station: Hanoi – Vietnam

Duration of the assignment: 72 months

Recruited by MPI

1. Tasks

The Project Director (PD) will function on a part time basis of no less than 10% as the leader of the Project Management Unit (PMU) during the life of the Project and will be responsible for ensuring that the tasks of the PMU, as described in the TFF, are carried out smoothly and in a timely manner.

In particular the PD will refer to the Project Steering Committee (PSC) and ensure that the members are well informed of project progress and are adequately supplied with sufficient information to carry out their decision-making responsibilities. The PD will feed back to the PMU any changes in policy or direction that the PSC may wish to carry out within the Project framework.

Reporting to the Chairman of the PSC the PD shall:

- Provide overall leadership of the PMU and coordinate the operations of the project activities with the concerned stakeholders;
- Cooperate with the National Technical Advisor (Project coordinator) of the project and the international expert EDE for the development of the POM and FOM and their timely and efficient implementation;
- Supervise the development of Strategic and Annual Plans of Operation and Budgets of the Project components;
- Supervise the preparation of quarterly and annual progress reports;
- Supervise the monitoring and evaluation of the Project implementation;
- Be responsible for regular communication with BTC on the management and supervision of Project implementation;
- Act on behalf of the Chairman of the PSC when authorised, and report back to the Chairperson on actions taken;
- Implement other duties as assigned by the PSC Chairperson and or BTC;
- Arrange regular PMU meetings normally on a monthly basis or more frequently if deemed necessary;

2. Reporting

The Project Director shall discuss and agree with the Chairperson of the PSC on the form and frequency of reporting. Besides periodic progress and financial reports the PD shall supervise the preparation of the following reports:

- An Set-up Report six months after commencement of the Project including assessments on the effectiveness of the PMU operations and, if needed, proposing options for improving the structures, systems and procedures;

- Consolidated and coordinated quarterly and annual progress reports including recommendations with justification for improving the effectiveness of the project activities;
- Financial reports in accordance with the requirements of BTC and the Provincial authorities;
- A Final report summarizing the results of the Project including lessons learnt, conclusions and recommendation on how the achievements of the Project can be sustained;
- Any other reports as requested by the Chairperson of the PSC or BTC.

3. Qualifications

The Project Director shall be a high ranking member of the MPI, preferably with a project management experience, and technical or human resources development background, including good communication and coordination skills, English language knowledge, computer use being considered essential. Knowledge and experience of ODA donor procurement, safeguards and project accounting mechanisms is preferred.

7.3.2 Deputy Director (DD)

Duty station: Hanoi– Vietnam

Duration of the assignment: 72 months

Recruited by MPI

1. Tasks

The Deputy Director (DD) will function on a part-time basis (50%) as the deputy leader of the Project Coordination Unit (PMU) during the life of the Project. S/he will second the Project Director (PD) as responsible for ensuring that the tasks of the PMU, as described in the TFF, are carried out smoothly and in a timely manner.

Reporting to the PD the DD shall:

- Provide day-to-day guidance to the PMU staff and coordinate the daily operations of the project activities;
- Be responsible for following up all developments in the field of Green Economy in Vietnam and ensure coherence with the GGSF and the Facility;
- Give input in the preparation of quarterly and annual progress reports;
- Contribute to the monitoring reports and the recommendations to the PSC;
- Supervise the organisation of bi-annual PSC meetings;
- Contribute to the contents and agenda of the PSC meetings;
- Act on behalf of the PD when authorised, and report back to him/her on actions taken;
- Implement other duties as assigned by the PD and/or the TSU;
- To further improve the integrated character of the project, s/he should participate in any network on Green Economy and related subjects.

2. Reporting

The DD shall discuss and agree with the PD on the form and frequency of reporting. Besides periodic progress and financial reports the DD shall support the PD in the provision of the following reports:

- An Set-up Report six months after commencement of the Project including assessments on the effectiveness of the PMU operations and, if needed, proposing options for improving the structures, systems and procedures;
- Consolidated quarterly and annual progress reports including recommendations with justification for improving the effectiveness of the project activities;
- Financial reports in accordance with the requirements of BTC and the Provincial authorities;
- A Final report summarising the results of the Project including lessons learnt, conclusions and recommendation on how the achievements of the Project can be sustained;
- Any other reports as requested by the Chairperson of the PSC or BTC.

3. Qualifications

The DD shall be a high ranking member of a the MPI with expertise in economics preferably with a project management experience, and technical or human resources development background, including good communication and coordination skills, English language knowledge, computer use being considered essential. Knowledge and experience of ODA donor procurement, safeguards and project accounting mechanisms is preferred.

7.3.3 Local Environmental and Development Economist (LTA EDE) – Project coordinator

Hanoi, based in the PMU office

72 Months

Recruited by BTC with No-objection by MPI

Tasks as project coordinator

The BTC Project coordinator (PC) will function on a full-time basis as the daily manager of the GGS project during the life of the Project. S/he will ensure, under the joint responsibility of the PMU Director and of the BTC Resident Representative, that the tasks of the project as described in the TFF, are carried out smoothly and in a timely manner.

In addition, the PC will work in close coordination with the International Expert Environmental Development Economist for all matters regarding the studies and consultancies to be launched and on the functioning of the Facility (calls for proposals, small actions, studies, etc..).

As a BTC employee, the PC will refer to the Resident Representative and ensure that the members of the Steering Committee (SC) are well informed of project progress and are adequately supplied with sufficient information to carry out their decision-making responsibilities. The PC will feed back to the PMU any changes in policy or direction that the Steering Committee may wish to carry out within the Project framework.

Reporting to the project Director the PC shall:

- Provide overall coordination and daily management of the project;
- Cooperate closely with the International Expert EDE in developing terms of reference for experts and consultants and organise the necessary recruitments;
- Coordinate the development of the Project Operation Manual and Facility Operation Manual;
- Develop work plans and budgets for project management;
- Supervise the preparation of quarterly and annual progress reports;
- Supervise the monitoring and evaluation of the project implementation;
- Analyse and consolidate monitoring reports and prepare recommendations to the SC;
- Organise Steering Committee meetings twice a year;
- Prepare with the IE EDE the contents and agenda of the Steering Committee meetings and ensure the secretariat of these meetings;
- Act on behalf of the Chairman of the Steering Committee when authorised, and report back to the Chairperson on actions taken;
- Ensure that all the activities foreseen during the set up and pilot phases are timely organised, with a particular attention to the writing of the baseline surveys and the monitoring and evaluation tools;
- Ensure the capturing and integration of lessons learnt and experience drawn in the

implementation of project activities;

- Implement other duties as assigned by the Steering Committee Chairperson and/or BTC;
- Guarantee the setting up of appropriate coordination mechanisms among national and provincial agencies in charge of climate change and urban development;
- Guarantee the project focus on the cross cutting issues, especially environmental protection, throughout its implementation and activities;

Tasks as Environmental Economist

The LTA EDE will work in direct response to the needs of the PMU and play a central role in translating the inputs provided by the International expert EDE into concrete activities of the GGSF. S/He will follow up on the activities identified in relation to structuring the project and facilities. The LTA EDE will play an integrative role with regards to the strategic directions set out by the PMU management and international technical advice. S/he will ensure the daily implementation of activities. S/he will be keeping the PMU management abreast of developments in the project.

S/he will advise and provide inputs in the setting up of the GGSF and GGF during the set-up phase by helping with the drafting of the Project Operational Manual and the Facility Operational Manual.

S/he will provide support to the development of the following actions and documents :

- M&E system;
- Communication and promotion plan;
- Project and financial management systems ;
- Implementation of the call for proposals mechanism;
- Yearly and half yearly activity and financial planning ;
- Financial and activity progress reports ;
- Reports and related documents for approval of the project Steering Committee ;
- Capacity building actions for the PMU and other staff of MPI/DSENRE;

Facility operation support

- Give concrete inputs in the monitoring of the effectiveness of the GGF, suggest improvements of the Facility and develop with the support of the International expert EDE and other International experts ways to review the GGF impact on stimulating green growth
- Suggest improvements of the GGF on procedures and criteria used to run the Facility
- Actively follow and document developments surrounding the green growth strategy implementation across different government entities in Vietnam and inform the PMU and International expert EDE of important developments
- Help organize and give inputs in effectively shaping the interactions with the different Facility support functions e.g. advisory committee, assessors, of the GGF
- Support the process of developing action concept notes into full-fledged proposal and

monitor follow up

- Ensure proper application of the Facility's rules and regulations and give suggestions how to improve the Facility's governance mechanism integrity

Capacity building of MPI and Green Growth Leadership

- Supporting capacity building of MPI/PMU to become a leader in green growth and effective manager of the green growth strategy
- Support MPI with enlarging its policy and regulatory options, with the aim to use more market or stimulant based approaches and move away from the more traditional command and control approach.
- Suggest resource mobilization options to MPI/PMU to find national and international funding for the GGF
- Support the use of the GGF as a way to identify and reduce barriers to green growth, mobilize green investments and replicate & disseminate successful approaches and investments.
- Help identify realistic green growth options within the governance framework and economic development level of Vietnam

Reporting

The LTA EDE will be reporting to the PMU management and to the steering committee. All reporting tasks will be performed in English.

Qualification

Degree and education

Master or PhD. degree in Environmental Economics or Development Economics from an (on these subjects) internationally recognized university

Experience.

- At least 7 years experience working as project staff or as TA in ODA projects in the field of Environmental and Development Economics
- Some management experience and good understanding of project management systems related to monitoring of activities and finances
- Good understanding of the policy development process and implementation in Vietnam in relation to economic and environmental management
- Good understanding on governance challenges related to environmental management in Vietnam
- Some understanding of investment project finance and the sourcing of finance in a development context and in relation to environmental related projects.
- Experience in capacity building project aimed at different public and private organizations
- Proven track record working in multi-disciplinary, international teams

- Study or work experience outside of Vietnam is preferred.

Skills

- Able to translate broad project strategies and goals into concrete activities
- Manage by supporting people and processes rather than pre-scribe what need to be done
- Fluency in both Vietnamese and English and good translation skill
- Strong advisory skills in support of project management
- Able to keep an eye on the big picture while working on detailed tasks
- Uses initiative to achieve planned results within time and budget targets
- Very good peoples and (inter-cultural) communication skills
- Able to explain complex issues to different audiences without the use of jargon

Attitude

- Engaging personality and reaching results through collaboration
- Likes to motivate other people with ideas and solutions rather than directions
- Service orientation
- Confident and easy to explain opinions in a non-confrontational manner
- Able to work under pressure

7.3.4 International Expert, Environmental and Development Economist (INTERNATIONAL EXPERT EDE)

Hanoi, based in the PMU office

36 Months

Recruited by BTC with no-objection from MPI

Introduction (to be used, after revision, for advertising of all GGSF positions)

The Green Growth Support Project (GGSF) has as its core activity the establishment and operation of the Green Growth Facility (GGF). The GGF will through a call mechanism support innovative policies and approaches to change the growth trajectory of Vietnam into a greener one. This project funded by Belgium will be implemented by the Ministry of Planning and Investment (MPI).

Various earlier projects and efforts by the Government of Vietnam to improve the countries environmental performance have shown that there are some significant barriers that will need to be overcome. These barriers include information constraints, lack of access to funding for necessary investments, lack of incentives, and lack of enforcement of existing environmental regulations. Addressing these barriers and demonstrating how policies could be formulated and implemented to remove them (or to lower their significance) are at the core of this project.

The overall guidance of the project is derived from the Vietnam Green Growth Strategy. The green growth strategy is motivated by the understanding that the efficiency of the use of natural resources can be improved, that climate change is an increasingly crucial topic to Vietnam requiring actions both in the fields of adaptation and mitigation, and the awareness that Vietnam faces increasing problems related to air pollution, water pollution, and waste management.

The green growth strategy is launched against a backdrop of expected reductions in donor funding in Vietnam, and a few years of relatively low economic growth, requiring a revitalization of growth in Vietnam.

In order to reach the target as set in the Vietnam Green Growth Strategy the GGSF and the GGF will focus on reaching tangible results in the here below listed areas.

1. Facility developed and improved: This result includes the development of the Facility including all its operational rules & procedures and management structure, its subsequent improvement through monitoring and evaluation during the implementation of the various calls for proposals and action implementations cycles, to learn lessons and modify the Facility's operation as required, and the use of the Facility to support green growth actions.
2. Green growth leadership capacity at MPI increased: Capacity built at MPI to increase its leadership and coordination role aimed at achieving green investments.
3. Green investments supported through calls for proposal: The aim of this result is to create a suitable enabling environment for green investments using the barrier removal approach. Green investments related activities (which may be organized in the form of Green actions plans) will be supported in the priority sectors defined

under R1 (baseline survey). During the implementation, the GGSF will provide support for the preparation of feasibility studies, will support pilot and demonstration projects and will offer matchmaking between the green investment project sponsors and potential financiers.

4. Good practices disseminated and replicated: Identification, dissemination and replication of existing good/best investment practices resulting in actual replications of investments that have already been completed. This result is primarily aimed at harvesting the low hanging investment opportunities (win-win solutions that are both economically and environmentally sound) and ensuring their widest possible dissemination and replication. However, it may additionally require the elimination of barriers and constraints that hinder replication of successful green investments.

Tasks

The International expert EDE will play a central role in providing advice to the Project Management Unit (PMU) management in structuring the project and its Facility and in developing and using the call mechanisms. The International expert EDE will bring international experience on environmental management in relation to economic development process in lower and mid-income countries. S/he will provide support in extracting replicable approaches on the reduction of barriers for green investment from the actions funded with the Facility. The International expert EDE will be working closely and assist the PMU, and more particularly the Project Deputy Director and the Local Technical Assistant Environment and Development Economics (LTA EDE). S/he will assist them in executing their tasks and responsibilities. Core tasks to be performed on an intermittent basis are:

Project management support

Advise and provide inputs in the setting up of the GGSF and GGF during the set-up phase by helping with the drafting of the Project Operational Manual and the Fund Operational Manual, and among other but not limited to hands on development support of the:

- M&E systems
- Communication and promotion plan
- Project and financial management systems
- Yearly and half yearly activity and financial planning
- Financial and activity progress reports
- Support the PMU management with drafting a set-up report and related documents for approval of the project Steering Committee
- Review and provide advice on the project progress on the basis of the TFF, logical framework and half yearly and yearly planning
- Give advice on the fielding of planned and ad-hoc International and Local TA
- Coordinate and supervise work to be carried out by the LTA EDE
- Coordinate the needed support, experience or feedback from TSU project staff

Facility operation support

- Monitor the effectiveness of the GGF, map out improvements of the Facility and review its impact on stimulating green growth
- Support the improvement of the GGF overtime by fine tuning procedures and criteria used to run the Facility
- Support the review and monitoring of the implementation of the green growth strategy in Vietnam by devising methodologies and their application by PMU/MPI in order to distil suggestion for call topics of the GGF
- Help set priorities for the GGF by guiding, structuring and support discussions with different stakeholders.
- Support the process of developing action concept notes in to full-fledged proposal for actions which meet high standards and integrate international experiences where relevant.

Capacity building of MPI and Green Growth Leadership

- Supporting capacity building of MPI/PMU to become a leader in green growth and effective manager of the green growth strategy
- Support MPI with enlarging its policy and regulatory options, with the aim to use more market or stimulant based approaches and move away from the more traditional command and control approach.
- Suggest resource mobilization options to MPI/PMU to find national and international funding for the GGF
- Support the use of the GGF as a way to identify and reduce barriers to green growth, mobilize green investments and replicate & disseminate successful approaches
- Help identify realistic green growth options within the governance framework and economic development level of Vietnam
- Provide strategic guidance and technical advice regarding the preparation, implementation of any activity related to capacity building (and particularly project result 2) and assure its technical and administrative follow-up,
- Assist MPI in its strategic thinking about - and actual development of a long term capacity development strategy with regard to its role in the coordination of the green growth strategy and that is amendable to joint donor support and takes into account the existing assessments and diagnostics;
- Attract and follow-up punctual external assistance (consulting) for specific capacity development activities where appropriate
- Provide technical input into the preparation of terms of reference for the various studies and capacity building activities subcontracted and support the involved stakeholders to ensure their adequate implementation

Reporting

The International expert EDE will be reporting directly to the PMU management and if requested to the steering committee.

Qualification

Degree and education

Master of PhD. degree in Environmental Economics or Development Economics.

Expertise

- Solid grounding in environmental economics and modern growth theory
- Solid grounding in sustainable development, sustainable consumption and production green economy and/or green growth

Experience

- At least 10 years experience providing technical assistance and/or managing projects in the field of Environmental and Development Economics
- Good understanding of investment project finance and the sourcing of finance in a development context and in relation to environmental related projects.
- Well versed in the governance challenges related to environmental management in transition countries on issue such as industrial development, eco-services validation, energy efficiency etc
- Work experience in policy and regulatory issues
- Previous work experience in green growth related projects in developed or developing countries
- Solid experience in project management.
- Demonstrate experience in developing and using project management systems related to monitoring activities and finances
- Experience in capacity building project aimed at different public and private organizations
- Proven track record in projects engaging multiple-stakeholder
- Work experience in transition countries in Asia is strongly preferred.
- Previous work experience in Vietnam preferred
- Previous experience with projects employing a call for proposals mechanism preferred

Skills

- Strong advisory skills in support of project management
- Focused on giving support in the back-ground
- Tested analytical abilities related to policy reviews, project management and implementation strategies
- Balances strong process orientation (long term goals) with a focus on reaching immediate project targets
- Uses initiative to achieve planned results within time and budget targets

- Very good peoples and (inter-cultural) communication skills
- Able to explain complex issues to different audiences without the use of jargon
- Used to working on an intermittent basis or between different time-zones
- Fluent in English, Vietnamese language skills preferred.

Attitude

- Engaging personality and reaching results through collaboration
- Likes to motivate other people with ideas and solutions
- Service orientation
- Confident and easy to explain opinions in a non-confrontational manner
- Able to work under pressure

7.3.5 International Expert Financial Matchmaking (INTERNATIONAL EXPERT FIN)

Hanoi, based in the PMU office

5 months

Recruited by BTC with no-objection from MPI

Tasks

The International Technical Assistant Financial Matchmaking's (International expert FIN) main task is to link proponents of green initiatives to potential investors and to assist in the negotiation and finalization of agreements with the potential investors to reach financial close of the green investments. To this purpose, the International expert FIN will:

- formulate a suitable financial structure for the project,
- will identify from his or her network suitable investors given the scope of the proposed green project,
- design an introduction and deal finalization strategy,
- draft documents introducing the green investment opportunity (deal summaries),
- draft legal documents such as Mutual Non-Disclosure and Non-Circumvention Agreements and option agreements,
- assist in the formatting of the full investment opportunity documentation,
- assist in the creation of a data room,
- assist in the selection of investors with the objective to reach financial close at advantageous terms,
- and assist in the final negotiations of the financial package.

Additionally, the International expert FIN will:

- develop relationships on behalf of the GGSF with several investors that are interested to get access to regular and sizeable green investment deal flow.
- Besides assisting each possible green investment opportunity generated by the project the consultant will also try to build a structural link between the project as whole and investors with a specific interest in green investment deal flow.

Reporting

The International expert FIN will be reporting to the PMU and will regularly exchange information with the International expert EDE to calibrate input of these two main advisors to MPI

Qualifications

Degree.

A master or further advanced degree in Law, Business Administration, Economics or Finance

Experience

- At least 10 year experience with investment facilitation and matchmaking in emerging markets
- At least 15 year experience working in the financial sector
- A track record of successfully closed transactions (at least 5 transaction with a total of at least 75 million EUR in financing arranged).
- Track record working with sustainable investments, CSR, fair trade or ecological philosophy to guide their investments

Skills.

- Fluency in all uses of the English language a working knowledge of Vietnamese is strongly favoured
- Excellent reporting and communication skills

7.3.6 Local communication specialist (LTA COM)

Hanoi, based in the PMU office

48 Months

Recruited by the PMU with no-objection from BTC

Tasks

The LTA COM will be responsible for the design, roll-out and monitoring of all communication, public relation and information dissemination activities of the project. S/he will help develop a sustained interest among potential users of the Facility and support the dissemination of information on replicable approaches and investments developed with the GGF. To this aim the following main tasks will need to be carried out

Design

- Identify through discussions with PMU, International expert EDE, LTA and others what the specific target groups are for the Facility and the various activities of the GGSF
- Define what messages and information these target groups would benefit from in relation to the services provided by the GGF
- Select appropriate channels to convey the message to the different target audiences.
- Draft a rolling communication and dissemination plan for the project with a detailed yearly plan and budget
- Identify monitoring indicators (input, response to communication efforts and activities and response and reach of the communication efforts) to measure the success of communication, PR and dissemination activities.
- Setup simple project contact database system which can contain contacts and back grounds of individuals and organizations relevant to the GGF and GGSF
- Design and commission the building of a flexible website which can grow with the project communication needs,
- Ensure that the website is aimed at communicating the services provided by the Facility and the GGSF and is a good tool for the target audience to get information, download documents and get in touch with GGSF staff etc etc. The site should not be overloaded with information about the project or the donors contributing to the project, but should provide clear information about how to apply and what benefits can be obtained from the cooperation. At a later stage of the GGSF, the website will also contain specific examples of actions funded.

Implementation

- Define yearly a specific planning by reviewing the project planning for those events, deadlines or activities that require a communication, PR or dissemination effort.

- Discuss with PMU, International expert EDE and LTA what key messages need to be conveyed, when and where
- Define a communication channel mix and if needed buy advertisement or advertorial space
- Define specific communication product like flyer, brochures, fact sheets, posters and commission designs and printing
- Collect data on the effectiveness of communication effort and make analysis communication impact so far
- Keep contact database and website up to date
- Regular review which documents the GGSF produces that should be publicly available and ensure their up to date presence on the Facilities website

Support project implementation

- Work closely with other project team members to support emerging communication needs and to assist with collecting information on methodologies, techniques and approaches that could be disseminated
- Provide suggestions on how actions funded through the GGF can improve their demonstration and dissemination effect
- Ensure relevant and up to date contact database to be used for different project activities
- Remind other project team members and ensure that all relevant information is provided for publication on the website.
- Work closely with M&E specialist to design the M&E system as to ensure inclusion on some of the communication and dissemination targets
- Keep track of all public expressions/articles/advertisements/interviews in the press and through other channels and collect hard and soft copies
- Keep track of publications in general media with regard to Green Growth Strategy, GGSF and the GGF that are published not as the result of the projects own initiative.

Reporting

The LTA COM will report to the PMU management and to the SC if requested to do so

Qualification

Degree and education,

Bachelor or more advanced degree in Communication Sciences, Marketing & Promotion

Experience

- 5 years experience in a non-profit or government organization working on community communication and or awareness raising.

- Experience in planning and implementation of communication and PR plans
- Experience dealing with press and advertisement placement (agencies)
- Good knowledge and experience using databases and keeping web sites up to date
- Worked in teams where communication played an important supporting role
- Some experience in measuring impact of communication, PR and awareness raising activities

Skills,

- Understand the news/communication value of events, projects and activities
- Keep track of the message that needs to be communicated and not get lost in the information
- Strong IT and computer literacy
- Good copy writing and editing skills
- Competent public speaker
- Fluency in English in both oral and written use

Attitude

- Open and communicative
- Supportive to overall objectives
- Think from the perspective of others

7.3.7 Local Tender specialist (LOC TEND)

Hanoi, based in the PMU office

30 Months

Recruited by the PMU with no-objection from BTC

Tasks

The Local Tender Specialist (LOCTEND) plays an important role in the detailed design of the call mechanism. (S)He will be the key person to support the International Technical Advisor Environmental and Development Economy (International expert EDE) and the Local Technical Advisor EDE during the design phase of both the call mechanism and the selection mechanism needed for the Short Term Actions. Most of these design activities will be documented in the Facility Operational Guidelines (FOM).

Once the GGF becomes operational the LOCTEND will take care of coordinating of the drafting and approving of all the documents and the strict following of the call mechanism guidelines.

Based on his/her prior experience with call mechanisms and procurement systems the LOCTEND will be the person to review the logic, effectiveness of the call mechanism in action and suggest improvements on an on-going basis.

The LOCTEND will by year 3 of the project ensure that various PMU staff is well informed about the operational details the call mechanisms. This way the focused attention on techniques and methods of running the calls and STA activities can be transferred to a broader team and be further embedded in the MPI organisation as whole.

His/Her task involves but is not limited to the following activities:

Design phase

- Provide inputs based on prior experience with call mechanisms or procurement systems in the design of the GGF call mechanism in Vietnam
- Solicit and coordinate inputs form the PMU management and different TA's including EDE, Monitoring and Evaluation and Financial Matchmaking, accountant and administrative assistant among others, to ensure the mechanism fits all the GGSF objectives (measurable, reduction of barriers to green investments)
- Work closely with the International expert EDE and LTA EDE drafting the FOM
- Support the PMU management in finalizing the FOM and POM and assist in implementing improvement suggested by the project steering committee or by BTC
- Coordinate the selection and hiring of the Technical Assessors by developing ToRs and profiles on the basis of the sectors selected to launch calls

Roll out phase

- Support the PMU management in operating the call mechanism by coordinating the tasks related to the production of documents and review and approval processes as set out in the FOM;
- Support the PMU management to launch the request for proposals for Short Term Action (STA)
- Coordinate inputs from the Technical Advisory groups related to the call mechanism and STA selection procedures
- Support the PMU management and other TA's in publishing call, first selection of the proposals, final selection of the proposals and contracting including those received for the STA
- Perform administrative eligibility check of proponents and advise the PMU management on the short listed candidates who are eligible to develop a full proposal
- Support the work needed to be carried out by the assessors and review the advice given with regard to short listing of proposal and the final selection
- Provide a short training when the contracts closed to ensure that proponents understand their obligation with regard to the allocation of resources, reporting, and dissemination of experiences.
- Support proponent of the Facility in using the guidelines to implement their activities or those carried out by sub-contractors
- Signal and document bottlenecks in the procedures, draft succinct reports to the PMU management with suggestions to improve the mechanism to ensure a high level of:
 - Transparency in the producers used
 - Efficiency of procedures
 - Ease of use by proponents
 - Allowing the Facility to be reactive to needs
- Work closely with the PMU accountant and the Tender and Administration Assistant (TAA) to provide them guidance with the use of the call mechanism and the STA selection procedures
- Ensure that by year 3 of the project operation the FOM and POM are fully updated with the experience of launching different calls in various sectors with different target groups.

Improvement of the Green Growth Facility

- Based on experience with the Facility support learning element of the Facility to improve its' performance
- Share reports and insights with monitors and evaluators on experience gained running the Facility

- Ensure that by year 3 of the project a broad group of project staff is well versed in the use of the call mechanism,

Reporting

The LOCTEND will report directly to the PMU management. S/He will document short coming and bottlenecks in the call mechanism and STA procedures as input to external accountants, monitors and evaluators

Requirements

Qualifications

Bachelors or higher degree in accounting, financial management or project management

Experience

- At least 10 years experience in project and ODA administration and/or financial management
- At least 5 year experience in procurement in a public organization
- Preferable experience in the use of call mechanisms

Skills

- Fluent in English and Vietnamese
- Good understanding of project management and financial administrative software
- Very good hands-on knowledge of Excel and Word is a must. Other programs (Database, accounting programs) a strong advantage;
- Mature, good communicator and team player;
- Able to work under stressful conditions.

7.3.8 Tender and administrative assistant (TAA)

Hanoi, based in the PMU office

72 Months

Recruited by the PMU with no-objection from BTC

Tasks

The administrative assistant is responsible for a variety of activities related to the daily administration of the project and in particular for every administrative matter related to the issuing of calls, the selection of contractors and a number of finance and administrative-related tasks including the ones listed below. S/he works under direct supervision of the PMU accountant and will provide support to the project coordinator and the local Tender expert. His/her main tasks are as follow:

Daily administration

- Organize and implement the daily administration and secretariat of the project under the supervision of the project's coordinator;

Calls and contractor selection

- Support the local tender expert in drafting and checking of all the documentation needed to publish calls
- Support the local tender expert in reviewing if administrative eligibility requirements are met by respondents of calls
- Review if contracting and expenditure guidelines are followed as laid down in the FOM and POM;
- Advice contractors who have won calls how to sub-contract parts of their activities and review if procedures are followed

Banking & cheque and cash management

- Prepare, register and keep cheques;
- Ensures all invoices from external parties (contractors, suppliers...) are paid in due time, by bank transfer, cheque or cash and arrange those documents by date: her/his task of preparing bank transfer and cheque documents and manage pipeline payment to external parties;
- Check and approve document requested by the PMU accountant;
- Attend and record all bank transactions, maintain bank accounts, ensure monthly bank statements and account overviews;
- Final responsibility for the cash management;
- Ensure liquidation of any internal advances and update advance outstanding by the end of each month and report to financial manager;

- Responsible for sound cash planning & cash withdrawals, so as to avoid cash shortages or large amounts cash in safe (security issue);
- Updates fixed asset register, follow up consultancies, contractor contract and stock of stationary.

Financial activity reporting

- Support the PMU accountant in recording all project expenses properly in the accounting software, following guidelines and within the deadlines the latest 15th of the following month;
- Support the PMU accountant with producing financial statements for control by PMU management, BTC or evaluators
- Support the PMU accountant in making all necessary corrections and make all preparations for the monthly closing of the accounting;
- Supervise daily entry of expenses in the cashbook;
- Check and control to ensure quality and completeness of justification and supporting accounting documents of all expenses following guidelines;
- Ensure accounting coding and budgeting lines are corrects: this includes verification of financial reports, expenses and supporting documents;
- Ensure monthly balance of Cashbooks/Cashboxes and bank statements are the same, and responsible for completion and approval of reconciliation statements if any;
- Responsible for transparent and consistent filing of all accounting, banking and cash management documents.

Financial Administration

- Check to ensure correct application of allowances;
- Assist financial manager with a variety of tasks: e.g. cost calculations, filing finance-related documents, monthly and weekly financial planning, managing pipeline payments...etc;

Budgeting and financial planning

- Support the PMU accountant in developing the needed accounting data and information to ensure proper financial manager by the PMU management
- Assist the PMU accountant with financial manager in the elaboration of reports, budgets or plans.

Qualification

- Certified Public Accountant or equivalent;
- Minimum 5 years experience accounting and project administration;
- Experience with an international organization or NGO;

- Very good hands-on knowledge of Excel and Word is a must. Other programs (Database, accounting programs) a strong advantage;
- Mature, good communicator and team player;
- Able to work under stressful conditions.

7.3.9 Local Controller (LC)

Hanoi, based at the PMU office

72 Months

Recruited by BTC with no-objection from MPI

Tasks

The local controller will report directly to the BTC resident representative (RR). In this role s/he will help the BTC RR to perform its supervisory and approval task related to financial tasks. To this aim the controller will play a supporting role in establishment, improvement and use of financial and decision making and approval procedures for the Green Growth Support Project (GGSF) and the Green Growth Facility (GGF). The controller's role is one in the service of the project and to assist with the use of transparent procedures and timely planning, approval and disbursement of funds. Besides this she/he will be responsible to keep the BTC Hanoi own project control and administration up to date with regard to the GGSF. The task of the controller relate to three areas:

- Control and improve the use of fiduciary monitoring and risk management mechanism for the financial management of GGSF (in particular by providing inputs in order to establish the i)Project Operational Manual and the ii)Facility Operational Manual and their gradual improvement over time).
- To provide practical and hands-on advice and feedback to the GGSF PMU on an on-going basis with regard to the organizational set up, and financial planning, control mechanisms and administration of the project. Support the implementation of the BTC financial administrative system prescribed for the project.
- Provide up to date information to the BTC Resident Representative for his/her supervision and approval role and keep the BTC administration for the GGSF up to date.
- Support audits, evaluations and monitoring of the GGSF and the GGF to ensure the improvement of the Facility performance overtime.

Further task to be carried out include but are not limited to the ones as listed here below:

Responsible for the monitoring of financial administration and procedures

- Be abreast of all financial administration issues: solve problems, help improve financial administration, points out and suggest corrections for errors and problems, reports any major problem to the BTC RR and the PMU direction and seeks advice from the International expert EDE or BTC staff when necessary.
- Support the GGSF to have a correct, smooth and efficient organization of the financial administration;
- Support the GGSF to have good communication, information and cooperation on financial planning and decision making;
- Supervise compliance with legal and administrative procedures and guidelines; this implies s/he studies, checks and reinforces financial guidelines and

procedures as defined in the POM and FOM and other approved financial and project management guidelines;

- Monitor when no-objection statement will need to be issued and collect information to help the BTC RR to make this decision.

Report drafting

- Provides a quarterly report to the BTC RR in copy to the PMU management on fiduciary, financial and management risks of the project
- Provide support to the PMU on all its reporting obligations in terms of correctness, clarity and the correct use of the project financial reports formats as defined in the POM and the BTC financial administration system;
- Other types or report if required by the BTC RR or other pertinent authorities in Belgium or Vietnam.

Review and monitor budgeting and financial planning

- Monitoring of timely updates of budgets; identify inconsistencies and request for information from the PMU on possible differences between budget and planning with actual expenses;
- Support the PMU with methodologies for financial short-and long-term planning. Review the timely and correct overall, yearly and quarterly planning;
- Monitor and ask for clarification on the management of bank and cash accounts, the making of cash calls on basis of the financial planning and according to the POM and FOM rules.
- Bring to the attention of the PMU and BTC RR inconsistencies or irregularities and ask for clarifications;
- Identify and suggest training needs on financial management for stakeholders;
- Preparing and assisting internal and/or external financial audit, monitoring and evaluation missions

Reporting

The controller will report directly to the BTC RR and informs the PMU management at least on a quarterly basis on her/his findings.

Qualification

Degree and education.

University degree in finance, accounting, business administration or business economics;

Experience.

- Minimum 8 years experience in project administration and finance, with at least one year in a management or deputy position;
- Management experience, and experience with an international organization or NGO, 3 years minimum;

- Work experience or exposure to controlling or business analyst role in a project or organization would be an advantage
- Experience with project monitoring with the help of M&E systems and specific indicators
- Exposure to working in a service oriented role to help projects or organizations reach their targets

Skills

- Very good hands-on knowledge of IT systems and software like Excel and Word is strictly required. Deep knowledge and experience of other programs (database, accounting and project management programs) a prerequisite;
- Ability to explain complex financial issues clearly and concisely in plain language, without resorting to arcane jargon.
- Proficient in English and Vietnamese with good translation skills;
- Mature, good communicator with strong inter-personal skills and a team player;
- Able to work under stressful conditions.

Attitude

- Conservatism and prudence. Concern about the downside and risks of project management decisions at all levels of the project.
- Attention to detail and mastery of facts about the project's financial operations.
- Demonstrates openness to change and ability to manage complexities
- Independent thinker able to stand up for its position and with the communication skills to politely disagree.
- Builds strong relationships with clients and external actors and demonstrated conflict management skills
- Remains calm, in control and good humoured even under pressure

7.4 List of activities during set-up and pilot-phase

During the set-up and pilot-phases, several activities need to be carried out. The following list is not in chronological order or order of priority and non-exhaustive:

1. Set-up of the Steering Committee
2. finalizing ToRs PMU staff
3. Recruitment of staff
4. Set-up of the PMU
5. Office arrangements
6. Baseline study on analysis of situation with regards to green growth at project start, selection of priority sectors and stakeholders, eligibility and selection criteria
7. Preparation of the FOM (Facility Operational Manual)
8. Preparation of the POM (Project Operational Manual for the GGSF)
9. Preparation of the call guidelines
10. Approach of potential financiers of green projects, initial networking for green investment matchmaking
11. Further development of the TOR for the assessors
12. Preparation of the set-up report
13. Preparation of the annual work plan

7.5 Donor mapping

A donor mapping document has been developed during the formulation process. It is available as a separate document. The draft donor map is not included in this TFF because of the size of the spread sheet but available upon request to BTC Office in Hanoi.

7.6 Draft eligibility and selection criteria for actions selection

Concept notes and full proposals will need to be checked for eligibility and scored on the selection criteria. Additional minimally required scores on eligibility criteria and subsets thereof may be defined; this to ensure quality of the proposals selected. The GGSF funding will use quality and cost based selected (value for money); we propose that this same approach is followed throughout the Facility.

Usually the conception notes and proposals will first be checked for eligibility; and only then scored on the selection criteria. Below we elaborate on the eligibility criteria and the selection criteria, noting that these would need to be adapted and further developed during the set-up phase of the project.

Eligibility criteria

Usually there will be several types of eligibility criteria. There are 4 types of criteria that establish what will be eligible, and an additional set of criteria about what will be ineligible. Usually the

ineligibility criteria will be donor defined, and will incorporate the rules of the donor. Here we have included the Belgian ineligibility criteria, to be further elaborated during the set-up along with the other criteria:

1. Administrative compliance
2. Eligibility of organizations (including non-applicability of ineligibility criteria)
3. Eligibility of the type of actions (including non-applicability of ineligibility criteria)
4. Eligibility of costs ((including removal of ineligible costs)
5. Inapplicability of ineligibility criteria (donor defined)

Selection criteria

Usually selection criteria will focus on the following concepts:

1. Financial and operational capacity
2. Relevance
3. Methodology
4. Sustainability
5. Pro-poor interest
6. Gender considerations
7. Budget and cost-effectiveness
8. Quality criteria

Below we have given an example of how this may look like, the criteria will need to be developed (some of the suggestions below may be dropped or reworded, others might be added) and be published, along with the guidelines for the call for proposals, sample contacts, and detailed procedures outlining the actions that will be taken by the Facility on the receipt of the concept note / proposal. It will also be necessary to decide when which criteria will be applied at what stage, and whether applicants will be provided with the opportunity to provide missing information after the submission deadline.

Finally, it may be that some of the criteria may be different for the Facility and for the GGSF. This approach would ensure that potentially the Facility could use funding from other donors (depending on their rules).

1. Administrative compliance	
Completeness of the concept note / proposal based on the respective form	Yes / No
Requested supporting documents have been provided	Yes / No
The documents have been provided in the correct languages	Yes / No
The budget has been prepared and provided in EUR	Yes / No

2. Organizational eligibility

The applying organization is registered in Vietnam or an international donor	Yes / No
The applying organization is legally established and not bankrupt, in legal disputes, accused of fraud or corruption, etc.	Yes / No
Partners and associates of the applying organization are eligible (to be defined, can be same as eligibility criteria for the main proponent)	Yes / No

3. Eligibility of the type of action	
The budget of the action is above the minimum and below the maximum	Yes / No
The duration of the action is less than the maximum duration	Yes / No
The action proposed fall under the scope of the call for proposals	Yes / No
The action is on the list of type of actions that can be supported	Yes / No
The action is not on the list of types of actions that cannot be supported	Yes / No

Types of actions that can be supported

- Conferences, seminars, and workshops
- Training and study tours
- Studies and consultancies
- Feasibility studies and EIA report preparation
- Financial match-making

4. Eligibility of costs	
List of underlying principles (necessity, in budget, actually incurred, incurred after award))	
List of eligible costs (staff costs, travel budget, communication costs, room rent, ...)	
List of ineligible costs (land / building / equipment purchases, payment of debts and interest, ...)	
A minimum of own financial contribution from the applicant will be determined.	
5. Ineligibility criteria (defined for Belgian funding)	
The applying organization is an enterprise, including a State-Owned Enterprise.	Yes / No

The proposed action belong to any of the following ineligible types	Yes / No
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Selection criteria (to be further developed and elaborated)

Section	Maximum Score
1. Financial and operational capacity	
1.1 Do the applicant and partners have sufficient experience of project management?	
1.2 Do the applicant and partners have sufficient technical expertise?	
1.3 Do the applicant and partners have sufficient management capacity?	
1.4 Does the applicant have stable and sufficient sources of finance?	
2. Relevance	
2.1 How relevant is the proposal to the objectives the call for proposals?	
2.2 How relevant to the particular needs and constraints of Vietnam	
2.3 Have the needs of the target groups proposed and the final beneficiaries been clearly defined and does the proposal address them appropriately?	
2.4 Gender composition of the proposed team	
2.5 Additionality of the proposed action and resulting green investment(s)	
3. Methodology	
3.1 Are the activities proposed appropriate, practical, and consistent with the objectives and expected results?	
3.2 Is the action plan based on a barrier removal approach?	
3.3 Is the action plan clear and feasible?	
3.4 Are success indicators included and suitable?	
4. Sustainability	
4.1 Is the action likely to have a tangible impact on green investment?	
4.2 Is the proposal likely to have multiplier effects?	
4.3 Are the expected results of the proposed action sustainable?	
5. Budget and cost-effectiveness	
5.1 is the ratio between the estimated costs and the expected results satisfactory?	
5.2 Is the proposed expenditure necessary for the implementation of the action?	
5.3 What is the ratio between costs and green investments likely to be generated?	
5.4 What is the ratio between costs and green investments likely to result from replication?	

6. Quality criteria	
6.1 Impact on poverty reduction or poverty alleviation	
6.2 Gender impacts	

Selection

Selection is based on cost and quality, each with an equal weight. Additionally proposals need to achieve a minimum score on the selection criteria in order to be eligible for selection and funding.

7.7 Draft contract structure for actions selected

Introduction

During the set-up phase, the standard contract format to be used in contracting the proponents of the selected actions (“contractors”) will be elaborated. The following provides some input to facilitate the process of drafting the standard forms of contract. However, it may also be that Vietnam or BTC have contract forms that can be used for this purpose (possible after some modification); if that is the case, it makes more sense to use these than the below. The contract usually will be composed of several sections, further elaborated below:

1. Specific conditions – this will include information specific to one selected action. All the following parts of the contract are annexes to the specific conditions, and in the specific conditions the order of priority of the various parts will need to be stated
2. General conditions - Facility
3. General conditions – contribution through the Belgium – Vietnam bilateral agreement (if other donors start funding the Facility and do so directly and not indirectly through Belgium, this part will be changed to General conditions – contribution through the ‘other donor’ – Vietnam bilateral agreement. In the contract, this would be referred to as “General conditions – donor funding”, which is general)
4. Description of the action (submitted final full proposal)
5. Budget for the action (part of the submitted full proposal, potentially with corrections)
6. Contract award procedures (these are the rules that apply to subcontracting by the contractor)
7. Standard request for payment and financial identification form
8. Other annexes as appropriate (for example, depending on the amounts prepaid, it may be necessary to have a guarantee of the pre-financing).
- 9.
10. Below is an overview of the type of articles one could expect in the specific conditions, general conditions – Facility and general conditions contribution through the Belgium – Vietnam bilateral agreement.
- 11.
1. Special conditions - Article structure
 - 12.
 13. Names of the contracting parties, date, coordinates
 - 14.
 15. Art. 1. Purpose
 16. Describes the purpose of the grant and the activity to be funded.
 17. Art. 2. Implementation period

18. States the entry into force of the agreement and the maximum period of the action and the agreement
19. Art. 3 Financing
20. States the total budget of the action and the financing by the Facility, describes how the final amount paid will be decided.
21. Art. 4 Reporting and disbursement
22. Sets of the financial and technical reporting requirements and how these are linked to the disbursement of the funds in the budget for the action.
23. Art. 5 Notices
24. Describes how official notices need to be communicated between the contracting parties (addresses, facsimile numbers, contact persons).
25. Art. 6 Annexes
26. Names the various annexes that are an integral part of the agreement and provides the priority in case of conflict in interpretation (for example, general conditions contribution through the Belgium – Vietnam bilateral agreement should have the highest priority).
27. Art. 7 Dissemination and replication
28. Establishes that the contractor has an obligation to support dissemination and replication of the results of its funded actions.
- 29.
30. Signatures
- 31.
- 32.

2. General conditions - Facility

Art. 1. General obligations

- State the obligation of the contractor to implement the action with good care, acting as a reasonable and prudent operator.
- Mentions who are the parties to the contract, and how relations with partners and associates are to be managed.
- Explains the subcontracting procedures to be followed.
- Mentions that the contract award procedures may be modified in General conditions – donor funding Article 2.

Art. 2. Obligation to provide information and financial and technical reports

- States the reporting requirements in terms of contents, the frequency of reporting and the deadlines for the issuance of reports, and the reporting language.
- States how disbursement depends on reporting.

- Mentions that the reporting procedures may be modified in General conditions – donor funding Article 3.

Art. 3. Liability

- States that the Facility and the providers of fund to it cannot be held liable for any damages, and that the contractor bears sole liability for any damages. (This will prevent any claims if for instance an accident happens when the contractor is travelling related to the action, etc.)

Art. 4. Conflict of interests

- Standard text about the contractor being free of conflict of interests and remaining free of conflict of interests.

Art. 5. Confidentiality

- This article will state the confidentiality of the materials provided by the parties to each other.
- It shall also mention the confidentiality exclusions as necessary to allow for:
 - Dissemination of results and best practices
 - Replication of results and best practices

Art. 6. Ownership/use of results and equipment

- This states the rules governing intellectual property rights ownership and license of its use (if any) and provisions with regards to equipment bought under the action. (For Belgian funding this is not relevant, but for other donors it may be OK to fund equipment purchase).

Art.7. Monitoring and Evaluation of the Action

- States that the contractor should cooperate with any monitoring and evaluation by the Facility and/or by the financiers of the Facility.
- States that the contractor shall be entitled to copies of the monitoring and evaluation reports.

Art. 8. Amendment

- States the rules for contract amendment

Art. 9. Assignment

- States that assignment of the contract is forbidden.

Art. 10. Implementation period of the Action, extension, suspension, and end date

- States the implementation period, procedures for extension and suspension and the end date of the agreement.

Art. 11. Force majeure

- Standard force majeure provisions

Art. 12. Default

- Definition of default, procedures on default and time period for addressing the default, remedy provisions for the non-defaulting party on continued default (with separate treatment for default because of force majeure and default that is not excused by force majeure).

Art. 13. Termination of the Contract

- Establishes the possible grounds and related procedures for termination of the contract

Art. 14. Language, applicable law and dispute settlement

- In case of translations, states which language version of the contract form will take precedence (We assume Vietnamese language)
- States the law that governs the contract (we assume Vietnamese law), the mechanism for dispute settlement (court, arbitration?), and the place of arbitration / court used.

Art. 15. Eligible costs

- Defines what costs are eligible for compensation through the Facility, what costs are ineligible, and also mentions the maximum amount that can be funded (based on the budget submitted as part of the proposal and the funding percentage)
- Mentions that the rules related to eligible costs may be modified in General conditions – donor funding Article 4.

Art. 16. Disbursement and interest on late payment

- Establishes the disbursement schedule and conditionality for the disbursement, and compensation for late payment or repayment.
- Mentions that the disbursement rules of this Article may be modified in General conditions – donor funding Article 5.

Art. 17. Accounts and audits

- Provides that the contractor should keep financial accounts for the action and keep all supporting documents (defined).
- States the audit requirements, and provides for the Facility's and donor's right to conduct an additional audit.
- States that the contractor should guarantee that the Facility and donor should have the same rights vis-à-vis any subcontractors.
- Mentions that the rules of this Article may be modified in General conditions – donor funding Article 6.

Art. 18. Final amount of financing by the Facility and recovery

- States the final amount of financing by the Facility and the underlying principle that the funding for the action in itself shall not lead to a profit to the contractor.
- Establishes the procedures for the recovery of any disbursements exceeding the final amount of financing by the Facility.
- Mentions that the rules of this Article may be modified in General conditions – donor funding Article 7.

3. General conditions – donor funding (Belgium)

Art. 1. Visibility

- Provides rules for stating the source and routing of the funding for the action complete with codes, if necessary.

Art. 2. Contract award procedures

- Modifies the contract award procedures to make the publication requirements and selection requirements more stringent; lowers the thresholds for the various procurement rules, and ensures that BTC receives all relevant files and documents.
- Note that this article can only make the contract award procedures more stringent, not less stringent (the latter could result in conflicts with Vietnamese rules).

Art. 3. Technical and financial reporting

- Modifies the technical and financial reporting requirements established in Article 2 of the General conditions – Facility by increasing the frequency of reporting and provides for the use of reporting formats that incorporates information required under donor (Belgian) rules.
- If the focus on ‘green investment’ is not incorporated at the level of the Facility, it will be included here as the focus of the reporting requirements.

Art. 4. Eligible costs

- Modifies the eligible cost definition in Article 15 of the General conditions – Facility, to make it stricter to fit donor (Belgian) requirements.
- States the maximum support percentage of actions funded with Belgian support.

Art. 5. Disbursement

- Modifies the disbursement provisions in Article 16 of the General conditions – Facility, to make it stricter to fit donor (Belgian) requirements.

Art. 6. Accounts and audits

- Mentions any modifications to Article 17 of the General conditions – Facility to comply with donor (Belgian) requirements; establishes for yearly auditing.

Art. 7. Final amount, recovery

- Mentions any modifications to Article 18 of the General conditions – Facility to comply with donor (Belgian) requirements.

Art. 8. Monitoring and evaluation

- States for information purposes related to article 7 of the General conditions – Facility the Belgian monitoring and evaluation procedures:
 - States the frequency of BTC monitoring (annual)
 - States the frequency and timing of independent evaluation (mid-term evaluation, final evaluation)

7.8 Draft contents guidelines call

Introduction

This annex provides an outline to the guidelines published to inform potential applicants about the rules and procedures of the Facility and the call. This would need to be further developed and adapted during the set-up.

Contents of the guidelines

1. Context of the Facility – summary of the green growth strategy of Vietnam, the Facility, and the funding for the Facility.
2. Purpose of the Facility – statement of the general objectives of the Facility as a mechanism to channel donor funding into activities selected through a demand-driven flexible mechanism, with a focus on creating the enabling framework for green investments.
3. Short summary of the call for proposals process
4. Topic(s) of the call
5. Total budget available per topic, minimum and maximum budget per action; eligible costs; own contribution.
6. Eligibility criteria
7. Selection criteria
8. Application process – documents to be provided at different moments in the application process, submission requirements, addresses for submission of action concept notes / full proposals.
9. Timeline
10. Obligations of successful applicants
11. Explanatory workshops planned
12. Contact information (for questions and queries)
 - 33.
 34. Annexes to the guidelines
 - I. Completeness checklist for the submission of action concept notes
 - II. Action concept note format
 - III. Completeness checklist for the submission of full proposals
 - IV. Full proposal note format
 - V. Standard forms of contract.
 - VI. Standard excel sheet for the preparation of the budget.
 - 35.
- A. Action concept note format structure (to be elaborated)
 - 36.

37. Applicant information

- Name of the organization
- Organizational category
- Registration information
- Contact person
- Address and contact information
- Year of establishment
- Annual turnover
- Number of staff employed
- Similar actions already implemented (0.5 page max)
- Names of partners and associates in the implementation of the action

38.

39. Budget for the action

- Budget based on a format provided as part of the guidelines
- Own contribution
- Contribution requested

40.

41. Action proposed

- Analysis establishing the need for the proposed action and argument why the proposed action and green investments would not happen in absence of the funding by the Facility (1 page)
- Contents of the proposed action (1 page)
- Expected results of the action (1 page)
- Expected impacts in terms of green initiatives (0.5 page)
- Expected replication potential (0.5 pages)

42.

43. Annexes TBD

44.

B. Full proposal format structure (to be elaborated)

45.

46. Applicant information

- Name of the organization
- Organizational category
- Registration information
- Names of directors
- Contact person
- Address and contact information
- Year of establishment

- Annual turnover
- Number of staff employed
- Similar actions already implemented (1 page max)
- Above information replicated for partners and associates that will cooperate in the action
- CVs of the team members responsible for the implementation of the actions (3 pages per person max)

47.

48. Budget for the action

- Budget based on a format provided as part of the guidelines
- Own contribution
- Contribution requested

49.

50. Action proposed

- Analysis establishing the need for the proposed action and argument why the proposed action and resulting green investment(s) would not happen in absence of the funding by the Facility, description of the scenario without funding for the proposed action (3 pages)
- Contents of the proposed action (2 pages)
- Expected results of the action including indicators for monitoring (2 pages)
- Expected impacts in terms of green initiatives including expected green investments that might be facilitated, distinguishing between public and private, and likely commercially attractive and commercially unattractive; the latter requiring soft/concessional financing and/or grants (3 pages)
- Expected replication potential with a similar breakdown (2 pages)
- Logical framework of the action

51.

52. Annexes

- Proof of registration of the applicant and all partners
- Latest annual accounts of the applicant and partners
- Partnership statement signed by all partners
- Statement of availability of all named individuals in the team

7.9 Draft work flow in a call (example)

Introduction

During the set-up phase, the standard work flow in a call would need to be elaborated. The below tables provides a point of departure.

Action	Actor	Controls
Publication of the call	PMU	BTC non objection
Workshop to explain the procedures and requirements	PMU + International expert EDE	
Further advertizing / publicity / direct approach of potential proponents actions	PMU	
Preparation action concept note	Proponents potential actions	
Submission action concept notes	Proponents potential actions	BTC receives copies
Receipt action concept notes – receipt letter	PMU	BTC receives copies
Opening action concept notes	PMU	In a public meeting
Administrative compliance check	Assessors hired by the PMU with BTC non-objection	
Organizational eligibility check	Assessors	
Eligibility of type of actions check	Assessors	
Eligibility of costs check	Assessors	
Scoring on selection criteria	Assessors	BTC receives copies
Preliminary selection of actions for full proposal development	PMU (based on report assessors)	BTC non objection

Notification of proponents pre-selected actions	PMU	
Notifications of proponents rejected actions	PMU	
Explanation of shortcoming in pre-selected actions	PMU + International expert EDE	
Preparation full proposals	Proponents pre-selected actions, guidance PMU + International expert EDE	
Submission full proposal	Proponents pre-selected actions	BTC receives copies
Receipt full proposal – receipt letter	PMU	BTC receives copies
Opening full proposal	PMU	
Administrative compliance check	Assessors	
Organizational eligibility check	Assessors	
Eligibility of type of actions check	Assessors	
Eligibility of costs check	Assessors	
Scoring on selection criteria	Assessors	BTC receives copies
Action selection	PMU (based on report assessors)	BTC receives copies
Contracting	PMU	BTC non-objection (or BTC witnesses)
Implementation	Contractor (= proponent selected action	
Keeping of action accounts	Contractor	Conform BTC requirements
(Subcontracting)	(Contractor according to contractual rules)	(As per contractual rules)

Reporting	Contractor	BTC receives copies
Quality check on reporting	Independent reviewers contracted by PMU with BTC non-objection	BTC receives copies
Facility monitoring & evaluation	PMU (with International expert EDE support)	
Annual BTC monitoring	BTC	BTC executed and controlled
Periodic evaluation	Independent evaluators	BTC hires and receives report
Annual audit	Independent auditor	BTC receives copies; according to BTC approved procedures / standards
Dissemination and replication	PMU (with International expert EDE support)	Results mentioned in PMU reporting

7.10 Indicators Methodology (contribution to be further developed during baseline study)

The GGSF uses environmental indicators that are aggregates. It is based on a weighted average of the performance of the GGSF on several environmental parameters, compared against the target. For each parameter, a percentage achievement is calculated as $(\text{achievement} / \text{target}) * 100\%$. A weighted average is calculated to obtain the total score. This approach allows for the uncertainty in the type of green investments that can be facilitated by creating an overall score for the environmental performance.

The three indicators included in the logical framework all follow this methodology, but differ from each other in what (annual) environmental achievements can be counted: the realized achievements, the anticipated direct achievements, and the anticipated total achievements. In all cases, the target will be formulated in a consistent manner.

- Realized achievements. These are the environmental achievements from green investments that are, at some point in time, realized: investment projects for which the right conditions have been created, documents developed, finance identified, and that have been constructed and commissioned. Due the time it takes to complete this process, at the end of the GGSF some investment projects will still be going through this process. Realized environmental achievements appear in the realized environmental impact indicator.
- Anticipated direct achievements. Anticipated direct environmental achievements are at any moment in time the sum of the environmental achievements in direct green investment projects that have been implemented and the additional environmental achievements from green investments that are going through the process from first identification to implementation. Only green investment projects that are identified and supported within the GGSF are counted. Anticipated direct environmental achievements appear in the anticipated direct environmental impact indicator.
- Anticipated total achievements. Anticipated total achievements are the environmental achievements from the green investment projects identified within the GGSF and the anticipated replication of these green investment projects. It is the full impact of the GGSF. If evaluated at the end of the GGSF, it will have a large element of anticipation; if an evaluation is scheduled at a later moment in time, it is better possible to verify the total achievement, and a smaller part of the anticipated total achievements will be anticipated. Anticipated total environmental achievements appear in the anticipated total environmental impact indicator.

Concretely:

- Select environmental parameters that are of interest and cover the major environmental issues in Vietnam. For example: air – CO₂ emissions per year, SO₂ emissions per year; water – COD emissions per year; forest – amount of forest planted per year (has/year), amount of deforestation per year (has/year), etc. Other examples may be found in sub-sectors such a transfer of technology, improved energy efficiency, natural resources policies, water management, etc...It is important that, whatever sector considered, the key environmental parameters are environmental flow indicators (emissions of pollutants per year, hectares of forest lost per year, etc.), and not state indicators.

- To facilitate M&E of the implementation of the ICP, emissions of greenhouse gases expressed in CO2 equivalents needs to be one of the key environmental parameters that is tracked, and the only one that needs to be separately reported.
- All actions funded through the GGSF and GGF need to demonstrate that without the funding they would be unlikely to happen (additionality)
- The same approach is taken towards the green investment project – they would need to show that in absence of the funding made available, they would not have happened (additionality) and detail what would have happened in absence of the funding (baseline) measured in terms of impacts on the key environmental parameters
- Similarly, in case of the project, again what happens is measured in terms of impacts on the key environmental parameters; this is the green investment case.
- The impacts of the green investment are then the difference between the green investment case and the baseline. It is expressed as amount of pollution emissions reduced, amount of additional forest planted, amount of forest degradation avoided, etc, for each of the key environmental parameters. Typically for many of these, the impact will be zero.
- The total impact of the GGSF on the key environmental parameters can then be found through summing over the various green investment projects, using the different 'achievement' concepts outlined above.
- For each key environmental parameter, achievement is compared against target, and a percentage achievement is calculated as $(\text{achievement} / \text{target}) * 100\%$.
- A weighted sum of the percentage achievement of each of the key parameters is used to calculate the various environmental impact indicators.

Targets

For the setting of targets, we propose the following approach.

- Identify a set of green initiatives the GGSF would in principle be interested to achieve, and assess for each the anticipated impact on the key environmental parameters and sum. Also calculate the sum of the investment amounts for such green initiatives.
- Calculate for each key environmental parameter: $(\text{sum of impacts from the whole set of green investments}) \times (10 \text{ million EUR} / \text{total investment for the whole set in EUR})$. This is then the target for anticipated direct achievements. The 10 million EUR amount is from the specific objective relating to the total amount of green investments to be triggered by the GGSF.
- The target for realized achievements is 25% of the target for anticipated direct achievements. This reflects that at the end of the GGSF, we expect that a lot of the green investments directly supported will be under construction (and not yet commissioned).
- The target for anticipated total achievements is 600% of the target for anticipated direct achievements. This reflects that we anticipate 10 million EUR green investments directly promoted by the GGSF, and 50 million in replication: $(50 + 10) / 10 * 100\% = 600\%$.

Weights

Weights should ideally be based on the full monetarization of the environmental costs and benefits. In absence of having these, it is possible to conduct a workshop and ask participants to indicate whether achievement of the target for environmental parameter # 2 is more or less important than the achievement of # 1, then follow up with how much more important (double, triple,...) or how much less important (half, a third,...). Repeat for each parameter, and you have a set of weights. Then go through the same process again to make sure that the weights are correct (and the process fully understood by all).

7.11 Action selection mechanism design considerations

For an action selection mechanism based on competitive selection among a set of proposals to work well, a number of criteria need to be met:

- The selection mechanism needs to be well known – if qualified organizations don't know about it, they won't submit proposals, and the wider the net of qualified proposals, the better the proposals selected will tend to be. This issue points to the need of publicizing the mechanism.
- It needs to be clear how proposals are to be submitted. If no one knows how to submit a proposal, the number of proposals submitted will fall, and the selection among the proposals submitted will be much more difficult because the proposals will be difficult to compare. This issue points towards the need to provide workshops on how to submit proposals, and to prepare clear & mandatory formats.
- To promote submission of proposals, the initial time investment for the preparation of proposals should be kept modest, with clear criteria for eligibility (and ineligibility) and criteria for the selection of proposals which should both be adhered to, and be seen to be adhered to. A measure for the quality of the Facility's selection mechanism is the percentage of all proposals submitted (and the total number) that meets the eligibility criteria and achieve a minimum score on the selection criteria (Maximizing the number of eligible and high-scoring proposals will increase the quality of the final selection, whereas increasing the percentage of all proposals that meet all eligibility criteria and a minimum threshold score on selection criteria will minimize the time spend by proponents and assessors on proposals without a chance of being selected). This provides quantitative and qualitative points to be considered during the Facility's M&E, and additionally points to basis 'concept notes' that can be the basis for an initial selection and further development of the more promising notes.
- To promote the final quality of the proposals selected, the contents will be discussed between the proponent of the action and the Facility (through the PMU with support from the International expert EDE), to make sure that the full proposals allow for appropriate monitoring and evaluation of the results of the actions and are, in the end, focused on translating budgets made available (through the call and selection of actions) into green investments.
- The selection should be based on clear criteria that should be followed and should be seen to be followed. If the selection process is perceived to be subjective, this will be a factor that discourages participation in the call. Fair rules, transparency and independent oversight are therefore important.
- It needs to be very clear what costs can be supported and what cannot be supported, and what own contributions will be required (if any). If this is not clear, a lot of time can be wasted later

on these issues.

- Specific Belgian considerations are not part of the selection mechanism as such, but are part of a separate agreement regarding the use of the Facility to allocate the Belgian contributions. For example, the requirement that funding should not directly go to private enterprises is not part of the Facility design (because other donors may not have this restriction), but should be part of the Vietnamese-Belgian agreement on the Belgian contribution. This point is also reflected in the proposed contract structure, which distinguishes between the general specific conditions and the Belgian specific conditions attached to Belgian funding.

Most of the above factors lend themselves to quantification as indicators with targets to be achieved. Thus they are suitable for incorporation into an M&E system focusing on the performance of the Facility. Such inclusion in the M&E system that is specific to the Facility will allow the Facility to improve over time. This will be elaborated during the set-up of the project.

7.12 Sector selection criteria (to be developed during baseline)

Sector selection can be based on an assessment of different production technologies for the main products in a sector. This could be structured as a multi-criteria analysis involving an assessment of the impact of the technology choice on investment costs, O&M costs, product pricing (quality differences), production amounts, Net Present Value (NPV) (commercial with fixed analyses horizons and discount factors), environmental impacts on key environmental indicators, employment creation, poverty impacts (through for example supply of raw materials, size and expected growth rate of the sector, and the current technology mix. This analysis can be done for new production facilities (or in the case of agricultural production, new land), it can also concentrate on existing facilities that would need to be retrofitted (or land on which production practices would need to be changed).

Selection of the sectors would then be based on the possibility to make large environmental gains relative to the dominating technology, at low or negative impacts on the NPV, in a large sector (many replication possibilities for the technology change) that is fast growing (many new project opportunities – usually new opportunities are cheaper for environmentally sound technologies than retrofits), with additional employment opportunities and/or possibilities to use raw materials supplied by poorer sectors of the economy. The table below presents the methodology in a schematic manner (more technologies per sector and more sectors would need to be added, and the subsector / product structure of a sector would need to be accounted for in a straightforward manner). Also, the way of scoring and calculations based on the scores has been left open, because this is a matter of policy preferences.

This selection methodology works for sectors that supply traditional products and services. With some modifications, it can also be used for environmental solutions providing sectors (such as renewable energy equipment), in which the favourable environmental impacts are not associated with the production but the later use of the products.

A sector that cannot be well captured in the methodology is the financial sector. This is unfortunate because the financial sector may provide new products (for example, based on guarantees) that will make it possible to invest in green production and consumption, both by enterprises and by households (including poorer households).

A full implementation of the methodology outlined is outside of the scope of the TFF. However, on

the basis of some preliminary analysis, the following sectors would seem to be especially of interest:

- Financial sector
- Cement production
- Bricks production
- Crops production
- Forestry
- Waste Management

7.13 Draft outline of the procedures for Short Term Action proposal selection

The short term action (STA) aim at bringing to MPI the possibility to support in a flexible and fast manner small actions that may be used to show case the greening of the Vietnamese economy and attract attention of the policy makers, the media, economic stakeholders and possible donors willing to contribute to the Facility. The proposals will not be received as reaction to a call but will be selected by the project team. In order to make a transparent selection of the STA a separate selection and approval process will need to be described in the FOM for which the here below outlined procedures are a first indication.

Essentially two types of eligible proponents can be distinguished who can apply for STA:

First, a proponent can come to MPI/PMU with a proposal for funding; in such a case the PMU will do a first review of the merit of the proposal and, if the proponent is eligible for STA funding, pre-select the proposal.

Second, the proponent is MPI itself. In this case MPI writes the proposal but will have to identify a sub-contractor with the use of facilities subcontracting rules for the implementation of the STA.

In terms of topics the STA can be used for capacity building activities related to green growth, with government organizations, NGOs or private entrepreneurs as beneficiaries of the funding, or for pilot projects demonstrating the use or development of an innovation contributing to the green economy transition . The proposal format to be developed in the FOM should not be longer than 10 pages including:

- the why and how of the action and
- how it contribute to green growth,
- a TOR,
- a budget
- and a timeline

The selection of STA will have to respect the following principles :

- Equity between proponents;
- Transparency in the selection process;
- Fair concurrence;
- Publicity;
- Payment after reception and approval of the actions;
- Fixed price;
- Good stewardship.

STA's will follow the managing rules (procurement, planning, reporting) defined in Chapter 5 for

Funds used for other project activities than the Facility.

Some of the STA budget may be attributed to MPI in relation to Result area 1 dealing with establishing the Facility and improving its function. If MPI wishes to draw from the STA budget line (either for 'own' projects or projects proposed by third-party proponents), MPI needs to send a short proposal (following the indicated format) to the BTC resident representatives. BTC will conditionally approve the proposal. At the end of the activity, an activity report is issued, and if accepted by BTC, the funds are replenished either without conditions, or with conditions related to the use of further funds (if there are shortcomings in the process that raise concerns), or the report is rejected and the fund is not replenished.

In case that a proposal will come for another proponent than MPI the PMU will review the proposal and decide if it is fundable or not. Before signing a contract the PMU will have to receive an endorsement from the BTC representative on the basis of a short summary drafted by the PMU and all other related documents prepared for review by BTC. Further conditionalities as described for the activity report review and payment for MPI STA's apply to other beneficiaries of STA funding for the final payment.

Further specifics will need to be worked out and mutually agreed by MPI and BTC in the FOM.

7.14 Green Sectoral Development Plans: a case

Let's assume that a sectoral call is launched for the development of a green action plan for a sector, and that the eligible sectors are the cement/concrete sector, the steel sector, the leather and footwear sector and the beverages sector. In such a case, we may expect proposals from the MOI, MONRE, MPI (or any of their affiliated entities). We may also expect proposals from the Energy Efficiency and Conservation Association of Vietnam, the Vietnam National Cement Association, Vietnam Banks Association, Vietnam Steel Association, Vietnam Alcohol-Beer-Beverage Association, Vietnam Association of Financial Investors, Vietnamese Professional Society, Vietnam Leather and Footwear Association, Hanoi Small and Medium Size Enterprise Association, and the Vietnam Engineering Consultant Association. We could expect proposals from Vietnam Chamber of Commerce and Industry, and European Chamber of Commerce in Vietnam or private entities providing their meet the eligibility criteria developed in the FOM. Also, some of the donor organizations active in Vietnam may wish to submit proposals. A proposal for say the cement / concrete sector may include the following aspects:

- Identification of various 'green' technologies and production practices that may be considered (see the next pages for a start), with an assessment of the levelled impact on production costs;
- Assessment of the status of the implementation of the identified green technologies;
- Identification of barriers that prevent the implementation of the most promising win-win green technologies. This could for example be lack of awareness among the producers of cement and concrete of the various technologies, and lack of availability of finance.
- Review of strategies used in other countries to eliminate barriers that prevent the uptake of the identified green technologies, and adaptation of the most promising strategies to Vietnam's reality. This could for example be a combination of an awareness campaign combined with a guarantee system to support the efforts of the cement/concrete industry to raise finance for green technologies, to be adapted to the Vietnamese reality;
- Implementation of the barrier removal strategy;
- Identification of green investment opportunities in the cement / concrete sector; this may for example be a combination of waste heat recovery in cement production, (partial) use of biomass and waste as fuel for cement production, and replacement of cement with cement replacement materials in the production of concrete;
- Preparation of feasibility studies for various green investment opportunities in the cement / concrete sector;
- Financial match-making for various green investment opportunities in the cement / concrete sector, possibly with the benefit of credit enhancements such as loan supports that are funded by the GGSF.

Then, outside of the GGSF, the green investment opportunities would be implemented, based on the preceding work. A typical outcome of a call for a green action development plan, in which a green action plan is developed for the cement / concrete sector, could therefore be the realization of, for example., several waste heat recovery projects in which waste heat is used for (for example)

power generation, or in which cement is replaced with other cementitious materials in the preparation of concrete. Both these activities are likely to have attractive payback periods and may therefore as win-win opportunities be replicated.

Technology option	Investment costs	Environmental benefits	Commercial attractiveness	Direct Economic opportunities for the poor
1. Change from wet processing to dry processing	Very high	Reduced energy use, reduction of fossil fuel related emissions	Reasonable	Neutral
2. Change from vertical shaft kiln to rotary kiln	Very high	Reduced energy use, reduction of fossil fuel related emissions	Reasonable	Neutral
3. Waste heat recovery	High	Reduction of fossil fuel related emissions from thermal power plants, more limited than 1 and 2	Reasonable but Vietnamese power sector prices are heavily subsidized; good at normal power pricing	Neutral
4. Increasing blends with fly ash, steel slag, volcanic ash, with or without activation	Medium	Reduced energy use, reduction of fossil fuel related emissions, additional reduction of process CO2 emissions, improved concrete quality	High	Neutral

Technology option	Investment costs	Environmental benefits	Commercial attractiveness	Direct Economic opportunities for the poor
5. Change of raw materials for clinker production to carbides and/or use K ₂ CO ₃ as raw material	?	Reduction of process CO ₂ emissions	?	?
6. Fuel substitution: replacing fossil fuels with waste (MSW) and biomass (crop residues, waste from agro-processing, plantations)	Limited/none, but possibly O&M costs (depending on material cost)	Reduction of fossil fuel related emissions, waste reduction, avoided GHG emissions from landfills	Reasonable to high, depending on waste and biomass cost	Positive – additional revenues from agricultural production, agro-processing, and dedicated biomass production (could be done so as not to affect food production, or to improve it, could be done as part of soil remediation)