

Readiness Proposal

**with Ministry of Planning and Investment for the Socialist Republic of
Vietnam**

16 June 2017 | NDA Strengthening & Country Programming



**GREEN
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FUND**

Readiness and Preparatory Support Proposal

Readiness

- Information on the process for the Readiness and Preparatory Support Programme can be found [here \(link to Handbook\)](#). Additional information on the Programme can be found at: <http://www.greenclimate.fund/ventures/readiness>
- Countries can apply to Readiness and Preparatory Support under one or several of the following areas:
 - o **Area 1:** Establishing and strengthening National Designated Authorities or Focal Points
 - o **Area 2:** Developing Strategic frameworks for engagement with the Fund, including the preparation of country programmes
 - o **Area 3:** Selection of implementing entities or intermediaries, and support for accreditation
 - o **Area 4:** Developing an initial pipelines of program and project proposals

How to fill this document?

- This document should be filled by National Designated Authorities /Focal Points with support from their delivery partners where relevant
- Please be concise and precise
- If you need to include any additional information, please attach it to the proposal

Where to get support?

- If you are not sure how to fill this document, or need any kind of support, please send an e-mail to countries@gcfund.org. We will aim to get back to you within 48 hours.
- You can also fill as much of this document as you can and then send it to countries@gcfund.org. We will get back to you within 5 working days to discuss your submission and the way forward.

Important note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions, please make sure to pay special attention to environmental, social and gender issues, in particular to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues.

SECTION 1: SUMMARY	
To be filled by all applicants	
1. Country submitting the proposal	<p>Country name: Vietnam</p> <p>NDA Contact Person: Dr. Pham Hoang Mai Director General hmaipham@mpi.gov.vn +84 804 3310 / +84 9 038429279 Ministry of Planning and Investment (MPI), Department of Science, Education, Natural Resources and Environment (DSENRE), No. 6B Hoang Dieu Street, Hanoi, Vietnam</p>
2. Date of submission	30/04/2017
3. Which entity will implement the readiness and preparatory support project? <i>(Provide the contact information if entity is different from NDA/Focal Point)</i>	<p><input checked="" type="checkbox"/> National Designated Authority <input type="checkbox"/> Delivery partner <input type="checkbox"/> Accredited entity</p> <p>Name of institution: Ministry of Planning and Investment (MPI) Name of official: Dr. Pham Hoang Mai Position: Director General Telephone: +84 804 3310 / +84 9 038429279 Email: hmaipham@mpi.gov.vn Full Office address: Ministry of Planning and Investment (MPI), Department of Science, Education, Natural Resources and Environment (DSENRE), No. 6B Hoang Dieu Street, Hanoi, Vietnam</p>
4. Readiness and Preparatory Support area(s) <i>(Please tick all that applies)</i>	<p><input type="checkbox"/> 1. Establishing and strengthening National Designated Authorities or Focal Points</p> <p><input type="checkbox"/> 2. Developing strategic frameworks for engagement with the GCF, including the preparation of country programmes</p> <p><input type="checkbox"/> 3. Support for accreditation of direct access entities</p> <p><input type="checkbox"/> 4. Developing initial pipelines of program and projects</p>
7. Total requested amount and currency	US\$ 299,624
8. Anticipated duration	<p>Phase 1: 1/10/2017-30/06/2019 (21 months) Phase 2: 2019-2020 (to be defined)</p>
8. Is the Country receiving other Readiness and Preparatory Support related to the GCF?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes: please attach the relevant scope of work, and briefly list below the support provided by other institutions:</p> <p>In 2013, Viet Nam was officially chosen as one of the ten pilot countries to receive support from the GIZ Climate Finance Readiness Programme and MPI was the official partner for CF Ready. In 2014, this effort was followed-up by a Climate Finance Training (CliFiT) for MPI and other government officials. In late 2014, the Frankfurt School of Finance/UNEP Collaborating Centre for Climate and Sustainable Energy Finance, funded by CF Ready in coordination with the NDA, conducted initial assessments of institutional capacities of various line ministries and private sector entities in comparison with the direct</p>

access requirements of international climate funds, including the GCF. From March to June, 2015, the Frankfurt School of Finance (FSF), with the support of national consultants, conducted a thorough Institutional and Capacity Assessment of the NDA, with the draft report confirming a number of areas that would benefit from readiness support (see **Section D** of this submission). The objective of this assessment was to identify shortcomings and help MPI to set up the institutional arrangements of the NDA and assessment of existing capacity needed for NDA operations in accordance with the GCF requirements. While the FSF assessment highlighted a number of gaps that fall under the GCF's Standardized Package for NDA Strengthening and the Standardized Package for Country Programmes, it also underscored the need for additional funds to successfully address readiness gaps. This application to the GCF Readiness and Preparatory Support Programme is premised on filling these finance gaps to.

Through Belgium Technical Cooperation (BTC), the NDA is also benefiting from technical assistance to help build practical experience and capacity within Vietnam's public sector to advance investments in small-scale green growth initiatives. BTC is providing this technical assistance primarily through the Viet Nam Green Growth Strategy Facility (VGGSF), a bilateral initiative designed as a potential precursor to a fully nationally-owned legal entity that will promote a programmatic approach to Viet Nam's national response to climate change.

The United Nations Development Program (UNDP), is also assisting the NDA and national stakeholders respecting their engagement with and awareness of the GCF, its mandate, operations, and benefits to Viet Nam. Support includes technical advice on development and budgetary planning aligned with the objectives of the GGAP, technical support to engage with national and international sources of climate finance, and other areas in support of sectoral and provincial implementation of the VGGs.

SECTION 2: COUNTRY READINESS SELF-ASSESSMENT

(Please fill out the self-assessment table and list proposed activities to improve the readiness of your country. For further guidance on completing the self-assessment, please refer to the guidance in the Readiness and Preparatory Support handbook.)

OUTCOMES ¹	MILESTONES	PROPOSED ACTIVITIES
1. Country capacity strengthened	0-8	
1.1 NDA/focal point lead effective coordination mechanism	<input type="checkbox"/> 0 x <input type="checkbox"/> 1 <input type="checkbox"/> 2	- Conduct detailed assessment of government processes, structures and procedures to inform development of GCF operating procedures. - Prepare options paper outlining coordination, consultation and decision-making procedures for national government stakeholders respecting the GCF. - Development of new policies, systems, procedures and staff capacity to effectively deliver GCF funds.
1.2 No objection procedure established and implemented	<input type="checkbox"/> 0 x <input type="checkbox"/> 1 <input type="checkbox"/> 2	
1.3 Bilateral agreements between the country and the GCF executed	x <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	
1.4 Monitoring, oversight and streamlining of climate finance	x <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	
2. Stakeholders engaged in consultative processes	0-8	
2.1 Stakeholders engaged in consultative processes	<input type="checkbox"/> 0 x <input type="checkbox"/> 1 <input type="checkbox"/> 2	- Develop the programme prioritization framework in consultation with national stakeholders. - Develop the Medium-term Investment Framework aligned to Vietnam's NDC, National Action Plan on Climate Change, National Green Growth Strategy and
2.2 Country programmes developed and continuously updated	<input type="checkbox"/> 0 x <input type="checkbox"/> 1 <input type="checkbox"/> 2	
2.3 Stakeholder consultations conducted with equal representation of women	x <input type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	

¹ Based on decisions: B.08/10, annexes XII, XIII & XIV; B.08/11; B.11/10, annex I; B.12/20, annex I

<p>2.4 Annual participatory review of GCF portfolio in the country organized</p>	<p>x<input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	<p>Action Plan, Renewable Energy Development Strategy, and other government policies and strategies. - Analyse linkages between the GCF and national policies, strategies and action plans, and refine financial gap analysis based on Viet Nam's INDC, NAMAs and national targeted programmes. - Prepare Resource Mobilization Framework to optimize deployment of state, private, and ODA resources to address climate change. - Engage business sector including banking and private sectors related to GG and identify the key area(s) to priority investments</p>
<p>3. Direct access realized</p>	<p>0-8</p>	
<p>3.1 Candidate entities identified and nominated for accreditation</p>	<p>x<input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>3.2 Direct access entity accredited</p>	<p>x<input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>3.3 Entity/ies annual/multi-annual work programme developed</p>	<p>x<input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>3.4 Funding proposals through enhanced direct access modality approved</p>	<p>x<input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>4. Access to finance</p>	<p>0-8</p>	
<p>4.1 Structured dialogue between the NDA/Accredited entities and the Secretariat organized</p>	<p>x<input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>4.2 Country programmes, concept notes developed that implement high-impact priorities identified in INDCs and other national strategies or plans</p>	<p><input type="checkbox"/>0 x<input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>4.3 Project/programme preparation support to develop funding proposals provided</p>	<p><input type="checkbox"/>0 x<input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>4.4 Funding proposals that are aligned with country priorities approved</p>	<p><input type="checkbox"/>0 x<input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>5. Private sector mobilization</p>	<p>0-8</p>	
<p>5.1 Private sector engaged in country consultative processes</p>	<p><input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>5.2 Enabling environment for crowding-in private sector investments at national, regional and international levels exists</p>	<p><input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>5.3 Funding proposals for private sector projects/programme approved</p>	<p><input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>5.4 Funding proposals under the Private Sector Facility programmes (small- and medium-sized enterprises and mobilizing funds at scale) submitted and approved</p>	<p><input type="checkbox"/>0 <input type="checkbox"/>1 <input type="checkbox"/>2</p>	
<p>TOTAL</p>	<p>0-40</p>	<p>6</p>

ANNEX I: DETAILED INFORMATION FOR ACTIVITY AREAS 1 AND 2

<p>Proposed outcomes of the readiness activities <i>(Please list planned outcomes of the proposed Readiness Program)</i></p>	<p>Indicative list of activities <i>(List activities to be undertaken to reach each one of the outcomes. Please make the description of activities self-explanatory)</i></p>	<p>Indicators for reporting progress <i>(Please list one or two indicators per outcome using the self-assessment tool)</i></p>	<p>Baselines <i>(Please list the existing baselines against which the indicators are measured)</i></p>	<p>Expected outputs/targets <i>(Please list expected outputs from the planned activities. The outputs should be measurable)</i></p>
<p>Outcome 1: Improved capacity of Viet Nam’s National Designated Authority (NDA) to effectively coordinate and facilitate readiness support, investment planning, and country engagement with the GCF (Readiness Area #1).</p>	<p>1.1 Inception workshop</p>	<p>1a. timely coordination and work planning by the NDA in line with GCF requirements (timeliness of no-objection issuance, results from knowledge survey of NDA staff and stakeholders about national procedures and GCF requirements).</p> <p>1b. increase in NDA’s engagement with national and international stakeholders on readiness support, investment prioritization and planning for GCF (minutes of consultant meetings, newsletters, and public access to information).</p>	<ul style="list-style-type: none"> National procedures and protocols not systematized. Knowledge of GCF requirements still limited among national GCF stakeholders. Absence of publically accessible information (in Vietnamese) about the GCF and Viet Nam’s engagement. 	<p>1a. Institutional analysis of national government processes, regulations, structures and procedures relating to NDA responsibilities (in cooperation with GIZ CF Ready)</p>
	<p>1.2 Organize recruitment of national technical consultants</p>			<p>1b. Identification of mechanisms to support coordination, collaboration and synergy among stakeholders, including finalizing composition of inter-ministerial GCF task force/network and proposed Technical Committee</p>
	<p>1.3 Conduct detailed assessment consultation between consultants and NDA staff on government processes, structures and procedures to inform development of GCF operating procedures.</p>	<p>1c. Formulation of TORs for each member of NDA, inter-ministerial GCF task force/network for the GCF, and proposed technical committee for the GCF</p>		
	<p>1.4 Prepare and translate options paper outlining coordination, consultation and decision-making procedures for national government</p>	<p>1d. Operating procedures for the NDA, inter-ministerial GCF task force and technical committee (TC) prepared and approved.</p>		



	<p>stakeholders respecting the GCF, inter-ministerial GCF task force/network, and TC.</p> <p>1.5 Consultation to review findings of option paper and formulation of TORs for each member of NDA, inter-ministerial GCF task force/network for the GCF, and proposed technical committee for the GCF.</p> <p>1.6 Conduct detailed training needs assessment survey and verification of knowledge, skills and capacity gained.</p> <p>1.7 Development of a set of training modules targeting national stakeholders.</p> <p>1.8 Conduct knowledge and experience exchange.</p> <p>1.9 Training of members of NDA, inter-ministerial GCF task force/network for the GCF, and proposed technical committee for the GCF on the operating procedures for the NDA</p> <p>1.10 Documentation of operating procedures for the NDA including templates, toolkits, and guidelines, and disseminate for ongoing use by the NDA.</p>		<p>1e. Templates, toolkits, and guidelines prepared, disseminated and in use by the NDA, inter-ministerial GCF task force/network, and TC.</p> <p>1f. Report on detailed needs assessment of NDA, national SC, and TC members.</p> <p>1g. Design and delivery of training modules to NDA, inter-ministerial GCF task force/network, and TC based on findings of needs assessment.</p>
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<p>Proposed outcomes of the readiness activities</p> <p><i>(Please list planned outcomes of the proposed Readiness Program)</i></p>	<p>Indicative list of activities</p> <p><i>(List activities to be undertaken to reach each one of the outcomes. Please make the description of activities self-explanatory)</i></p>	<p>Indicators for reporting progress</p> <p><i>(Please list one or two indicators per outcome using the self-assessment tool)</i></p>	<p>Baselines</p> <p><i>(Please list the existing baselines against which the indicators are measured)</i></p>	<p>Expected outputs/targets</p> <p><i>(Please list expected outputs from the planned activities. The outputs should be measurable)</i></p>
<p>Outcome 2: Formulation of a medium-term country programme to identify and prioritize transformative initiatives aligned with the objectives of the GCF (Readiness Area #2).</p>	<p>2.1 Organize technical consultation with national stakeholders to support development of programme prioritization framework.</p>	<p>2a. % of stakeholders familiar with objectives and requirements of the GCF</p>	<ul style="list-style-type: none"> • Low level of GCF awareness among ministries and departments, private sector, and national NGOs. • No medium-term framework for engagement with the GCF. • Absence of prioritization framework for mitigation and adaptation programmes and projects aligned with the objectives of the GCF. 	<p>2a. Report outlining investment prioritization framework developed in consultation with national stakeholders.</p>
	<p>2.2 Organize recruitment of national technical consultants.</p>	<p>2b. national prioritization framework developed</p>		<p>2b. Outline of linkages between the GCF and national policies, strategies and action plans, and financial framework.</p>
	<p>2.3 Organize technical consultation with banking, business and private sectors etc. in three regions.</p>	<p>2c. formulation of a medium-term plan outlining programmes and projects aligned with national policy priorities and the GCF objectives.</p>		<p>2c. Consultation with national stakeholders to identify transformative opportunities in climate change mitigation and adaptation aligned with the objectives of the GCF and Vietnam's national priorities.</p>
	<p>2.4 Organize multi-stakeholder consultations on Viet Nam's draft country programme for the GCF. Assessment of linkages between the GCF and national policies, strategies and action plans, and refine financial gap analysis based on Viet Nam's INDC, NAMAs and national targeted programmes.</p>	<p>2d. # of representatives from central and sub-national government, private sector and civil society engaged in planning for the GCF.</p>		<p>2d. Final medium-term country programme for Viet Nam's engagement with the GCF.</p>



	2.5 Organize approval of the procedures by the NDA		
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ADDITIONAL INFORMATION

Please explain how this grant will help deliver on the country’s Intended Nationally Determined Contributions and other relevant strategies and plans

(maximum 200 words)

The grant will facilitate the development of a national Medium-Term Expenditure Framework for climate change and green growth, to be prepared by Vietnam’s NDA for the GCF. The MTEF will serve as a basis for the formulation of a resource mobilization framework on climate change that is aligned with Vietnam’s NDC, and inclusive of the prioritization framework to be prepared under GCF Readiness Area #2. In parallel, GCF support will enable the NDA to integrate climate finance into the ongoing development of a national roadmap for the implementation of the Paris Agreement which was started by national stakeholders in March, 2016. National stakeholders have begun to identify the opportunities, challenges and points of action that Viet Nam needs to address by 2020 in order to implement the Paris Agreement successfully.

ANNEX II: DETAILED INFORMATION FOR ACTIVITY AREA 3

Proposed outcomes of the readiness activities <i>(Please list planned outcomes of the proposed Readiness Program)</i>	Indicative list of activities <i>(List activities to be undertaken to reach each one of the outcomes. Please make the description of activities self-explanatory)</i>	Indicators for reporting progress <i>(Please list one or two indicators per outcome using the self-assessment tool)</i>	Baselines <i>(Please list the existing baselines against which the indicators are measured)</i>	Expected outputs/targets <i>(Please list expected outputs from the planned activities. The outputs should be measurable)</i>
Outcome 1:				
Outcome 2:				



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ADDITIONAL INFORMATION

Please fill out the accreditation self-assessment tool² and provide here the summary of the results of this assessment. *(maximum 200 words)*

ANNEX III: DETAILED INFORMATION FOR ACTIVITY AREA 4

Proposed outcomes of the readiness activities <i>(Please list planned outcomes of the proposed Readiness Program)</i>	Indicative list of activities <i>(List activities to be undertaken to reach each one of the outcomes. Please make the description of activities self-explanatory)</i>	Indicators for reporting progress <i>(Please list one or two indicators per outcome using the self-assessment tool)</i>	Baselines <i>(Please list the existing baselines against which the indicators are measured)</i>	Expected outputs/targets <i>(Please list expected outputs from the planned activities. The outputs should be measurable)</i>
Outcome 1:				
Outcome 2:				

² The self-assessment tools can be accessed at: <http://www.greenclimate.fund/ventures/accreditation/fine-print>



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ADDITIONAL INFORMATION

1.	Please detail below the preparatory activities to be undertaken with the pipeline development support, and explain why these activities are necessary for the development of the project/programme
2.	Please detail below the key deliverables to be included in the Terms of Reference
3	Please provide evidence of Government’s commitment to the project/programme and outline how the underlying project/programme is in line with the country priorities

ANNEX IV: DETAILED BUDGET

Proposed outcomes	Proposed activities	Total Cost (in USD)	Cost breakdown				Assumptions
			6m	12m	18m	24m	
Please report the same expected outcomes and activities listed in the Annex(es) above		Total cost for each activity					Please include all information needed to understand why this budget line is justified (including unit costs)
Outcome 1: Improved capacity of Viet Nam’s National Designated Authority	1.1 Inception workshop	10,700	10,700				Venue and lunch 50 persons*25USD DSA 50 persons*34 USD*2 nights Travel 15 persons*300USD per round local trip Stationery services 500USD Translation services 600USD



(NDA) to effectively coordinate and facilitate readiness support, investment planning, and country engagement with the GCF (Readiness Area #1).							Backdrop 100USD Printing 50 persons*5USD Phone and internet services 100USD/month
	1.2 Organize recruitment of national technical consultants/staff.	100,000	25,000	25,000	25,000	25,000	National TA 01 person*2000USD*20 man-months National staff 03 persons*1000USD*20 months (4-6 staff)
	1.3 Conduct detailed assessment consultation between consultants and NDA staff on government processes, structures and procedures to inform development of GCF operating procedures.	1,020	1,020				Venue and lunch 30 persons*34USD
	1.4 Prepare and translate options paper outlining coordination, consultation and decision-making procedures for national government stakeholders respecting the GCF, inter-ministerial GCF task force/network, and TC.	960		960			Translation 12USD*80 pages

1.5 Consultation to review findings of option paper and formulation of TORs for each member of NDA, inter-ministerial GCF task force/network for the GCF, and proposed technical committee for the GCF.	12,600	12,600				Venue and lunch 30 persons*34USD DSA 30 persons*41 USD Travel 30 persons*300 USD per round local trip Stationery services 500 USD Translation services 500 USD Backdrop 150 USD Printing 30 person*5 USD Phone and internet services 100 USD/month
1.6 Conduct detailed training needs assessment survey and verification of knowledge, skills and capacity gained.	1,565	1,565				DSA 5 persons*41 USD*3 nights Travel 5 persons*300 USD per round local trip Stationery services 200 USD Translation services 200 USD*3 days
1.7 Development of training modules targeting national stakeholders.	5,500		5,500			National TA: 200USD*15 days Design 2,500USD
1.8 Conduct knowledge and experience exchange.	14,250			14,250		Air fare round trip 1,500USD*5 persons DSA 250USD*5 persons*5 days Local travel 100USD*5 persons
1.9 Training of members of NDA, inter-ministerial GCF task force/network for the GCF, and	9,360				9,360	Venue and lunch 50 persons*25USD*2 days DSA 20 persons*34 USD*2 nights Travel 20 persons*200 USD per round trip (local travel) Stationery services 500 USD Translation services 500 USD Backdrop 100 USD

	proposed technical committee for the GCF on the operating procedures.						Printing 50 persons*5 USD Phone and internet services 100 USD/month
	1.10 Documentation of operating procedures for the NDA including templates, toolkits, and guidelines for ongoing use by the NDA.	4,000				4,000	Editing/design 500USD Translation 1000USD Printing 5USD*500 copies
Outcome 2: Formulation of a medium-term country programme to identify and prioritize transformative initiatives aligned to national circumstances and that meet the objectives of the GCF (Readiness Area #2).	2.1 Organize technical consultation with national stakeholders to support development of programme prioritization framework.	9,200	9,200				Venue and lunch 50 persons x 25USD DSA 50 persons x 34 USD x 2 nights Travel 15 persons x 200 USD per round local trip Stationery services 500 USD Translation services 600 USD Backdrop 100 USD Printing 50 persons x 5 USD Phone and internet services 100 USD/month
	2.2 Organize recruitment of national technical consultants.	40,000	10,000	10,000	10,000	10,000	National TA 01 persons*2500 USD/month*16 months (short-term)
	2.3 Organize technical consultation with banking, business	29,850		29,850			<i>Estimated cost for 01 consultation as follows:</i> Venue and lunch 30 persons*32USD DSA 20 persons*41 USD*2 nights Travel 20 persons*300 USD per round local trip Stationery services 500 USD



	and private sectors etc. in three regions					<p>Translation services 500 USD Backdrop 100 USD Printing 30 person*5 USD Phone and internet services 100 USD/month</p>
	2.4 Organize stakeholder consultations on assessment of linkages between the GCF and national policies, strategies and action plans, and refine financial gap analysis based on Viet Nam’s INDC, NAMAs and national targeted programmes.	14,410			14,410	<p>Venue and lunch 50 persons*32USD DSA 30 persons*41 USD*2 nights Travel 30 persons*300 USD per round local trip Stationery services 500 USD Translation services 500 USD Backdrop 100 USD Printing 30 person*5 USD Phone and internet services 100 USD/month</p>
	2.5 Organize approval of the procedures by the NDA.					No cost
	Audit cost	6,000			6,000	Audit report
	Contingency costs	12,971				5% of direct project costs (excluding delivery fee)
	Delivery Partner Fee	27,239				10% of project costs including direct costs (staff, office, office expenses and contingency)
	Grand Total	299,624				

ANNEX V: IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

Please attach an “implementation map” or describe how funds will be managed by the NDA/FP or delivery partner

The NDA welcomes entering into a bilateral financial agreement with the GCF Readiness Programme for this readiness support financed by the GCF. Owing to its relevant expertise, in-country capacity and experience, and successful track record in implementing capacity building programmes, coupled with its involvement in climate change finance and its coordination role in Viet Nam.

The Government of Viet Nam’s Inter-ministerial GCF task force/network for the GCF, chaired by the Vice-Minister of MPI, will supervise overall progress for readiness activities and provide strategic direction, with management, operational and administrative support to be provided by the NDA with support from an in-house administrative unit. The NDA has created a local GCF Readiness Taskforce to manage the day-to-day operations of this GCF readiness initiative. Viet Nam’s GCF Readiness Taskforce, based in MPI and with support from a dedicated office, will be responsible for daily operations and logistics relating to deployment of technical advisors and consultants, communication among stakeholders, organizing all training events, consultation and knowledge exchange workshops, and supporting overall engagement with local stakeholders and beneficiaries.

The funding will follow the procedures set out in the Harmonized Program and Project Management Guidelines (HPPMG), which is the unified basis for project management in order to utilize resources efficiently and experience as well as to reduce operating expenditures for the delivery agency.

Implementation will commence upon completion of the bilateral legal agreement between the GCF and MPI as the principal readiness delivery partner of GCF funds, and the NDA. The projected start date for the GCF readiness initiative is **October 1, 2017**.

Readiness support is requested over a period of 21 months from October 1, 2017 to June 30, 2019 to allow sufficient time for capacity building efforts to take hold and to accommodate measurement of evidence-based change in the readiness capacity of national stakeholders within Viet Nam.

It is proposed that disbursements are made to Delivery Partner in three tranches:

1st Tranche: USD 130,000 (US Dollar One hundred thirty thousand only) the first disbursement will be made upon or after effectiveness of the Grant Agreement and also upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.

2nd Tranche: USD 140,000 (US Dollar One hundred forty thousand only) will be transferred upon submission of an interim progress report and Audited Financial Report and also upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.

Final Tranche: USD 29,624 (US Dollar Twenty nine thousand six hundred twenty four only) will be transferred upon submission of a project completion report and final Audit Report. Submission of a completion and audit report will be furnished no later than three (3) months after the completion of the Readiness Support.

The procurement plan is as follows (major items only):

- Recruitment of national technical consultant for output 1.2, 2.2
- Workshop and training logistics (package with hotel) for output 1.1, 1.3, 1.5, 1.6, 1.9

- Design and printing, translation of materials for output 1.4, 1.7, 1.10
- Workshop logistics (package with hotel) for consultations on framework for output 2.1, 2.3, 2.4
- Organize the consultation exchange for output 1.8

The NDA will assign a dedicated project manager who will be in charge of monitoring the indicators and updating the log frame on a quarterly basis, for review by senior management, with support from the technical team. The source of information for each indicator is mentioned in the log frame.

Interim and final progress reports will be submitted to the GCF within one month of completion of the reporting period. Given the proposed project duration of 21 months, it is proposed to submit the reports as follows:

Interim report (months 1-12) to be submitted by end of Month 13.

Final report (month 1-21) to be submitted by end of Month 24.

Other relevant information

MPI has extensive experience in managing externally funded projects from e.g. UNDP, WB, GIZ, ADB, BTC, KOICA etc. with an annual budget of USD3-4 million in recent years. A comprehensive review of its management capacities was recently conducted by the UN system (HACT micro-assessment), resulting in a 'low-risk' rating. It is regularly audited by its donors, with satisfactory ratings.

ANNEX VI: FINANCIAL MANAGEMENT CAPACITY ASSESSMENT (FMCA) QUESTIONNAIRE

Please answer the following questions in relation to the entity that will implement the Readiness project, as identified in Section 1 above. Note that the GCF's accredited entities do not need to fill this questionnaire. Other international entities and entities accredited to other multilateral funds such as the Adaptation Fund, Global Environment Facility or EU Development Cooperation may consult the GCF Secretariat on whether they need to complete the questionnaire.

1. General and contact information

1.1 Title of Organization.
Ministry of Planning and Investment (MPI)
1.2 Organization code
Government ministry
1.3 Organisation size Please provide
i) List of head count/staff count: 800 headquarters + ~3150 staff located in 63 provinces
ii) Location of headquarters: Hanoi, Vietnam
iii) Location(s) of local and/or regional offices: not applicable
1.4 Full address
Ministry of Planning and Investment (MPI), Department of Science, Education, Natural Resources and Environment (DSENRE), 6B Hoang Dieu Street, Hanoi, Viet Nam
1.5 Contact person
Mr. Pham Hoang Mai (or designate, Ms. Nguyen Thi Dieu Trinh, Sr. Official, DSENRE)
1.6 Contact details
Dr. Pham Hoang Mai (Mr) Director General Ministry of Planning and Investment (MPI) Department of Science, Education, Natural Resources and Environment (DSENRE) 6B Hoang Dieu Street, Hanoi, Vietnam e-mail: hmaipham@mpi.gov.vn Tel: (+84) 804 3310 / (+84) 9 0488 6176

2. Legal Framework

2.1 Is the organization legally registered?
MPI is a legal entity of the Government of Viet Nam, established in November, 1995 under Decree No. 75-CP, subsequently updated in 2003 by Decree No. 61/2003/ND-CP and again by Decree No. 116/2008/ND-CP in 2008. MPI is a government agency and functions to perform the state management of planning, development investment and statistics, covering the provision of advice on national socio-economic development strategies and plans; development planning on and mechanisms and policies for general economic management and some specific domains; domestic investment, foreign investment in Vietnam and Vietnam's offshore investment; economic zones (including industrial parks, border economic zones, hi-tech parks and other forms of economic zones); management of official development assistance and foreign non-governmental aid; bidding; establishment and development of enterprises, collective economies and cooperatives; statistics; state management of public services in branches and domain under the Ministry's management according to law. Further details are available on MPI's website: http://www.mpi.gov.vn/en/Pages/default.aspx
2.2 If no please outline the reasons

2.3 If yes please outline the legal structure of the organization: Please also provide the founding legal document.

As a central ministry of the Government of Viet Nam, MPI shall perform tasks and exercise powers prescribed in the Governments Decree No.178/2007/ND-CP dated December 3, 2007, defining the functions, tasks, powers and organizational structures of ministries and ministerial-level agencies, and have the following specific tasks and powers:

1. To submit to the Government bills and resolutions of the National Assembly, draft ordinances and resolutions of the National Assembly Standing Committee, and draft resolutions and decrees of the Government under its approved annual law-making programs and plans, and projects and schemes as assigned by the Government or the Prime Minister.

2. To submit to the Government national strategies and five-year and annual plans on socio-economic development together with macro balances of the national economy; roadmaps and plans for the formulation and revision of macro-economic management mechanisms and policies; development investment master plans and plans; the total and structure of development investment capital for the entire society and state budget investment capital for branches and domains; the total and detailed allocations of investment capital in targeted additional capital balances; the total and detailed allocations of government bond and national bond capital; the Government's programs to implement socio-economic development plans adopted by the National Assembly; strategies on long-term loans in the overall strategy on raising investment funds for the economy; strategies, master plans and plans to attract and use foreign investment capital sources and ODA and the negotiation, conclusion of and accession to treaties on domains under its management; strategies, master plans and policies on development of enterprises, collective economies and cooperatives; and other projects as assigned by the Government.

3. To submit to the Prime Minister:

a. Socio-economic development master plans for regions; master plans on development of economic zones; criteria and quotas for state budget allocations for development investment; lists of important investment programs and projects with their funding sources; central budget provisions for capital construction investment, additional state reserves, state credit support and contribution of capital to joint-stock and joint-venture businesses; central budget advances for capital construction investment according to law; results of evaluation of draft master plans, and bidding plans and results of bidding for projects falling under the Prime Minister's deciding competence; policies, mechanisms and solutions for the development of enterprises, collective economies and cooperatives;

b. Draft legal documents related to statistics and other draft legal documents of branches and domains under its management which fall under the Prime Ministers competence according to law.

4. To promulgate decisions, directives and circulars of branches and domains under its state management.

5. To direct, guide, examine, and organize the implementation of, legal documents on strategies, master plans and plans on development investment and statistics approved and promulgated by competent authorities and other legal documents under its management; to provide information on, disseminate and educate about laws related to branches and domains under its management.

6. Regarding strategies, master plans and plans:

a. To elaborate the Government's action programs to implement socio-economic development plans adopted by the National Assembly; to administer the implementation of plans of some branches and domains as assigned by the Government or the Prime Minister;

b. To elaborate overall strategies on national socio-economic development for each period; to synthesize development master plans and plans of ministries, branches and provinces and centrally run cities; to elaborate socio-economic development master plans for regions, economic zone development master plans; to give opinions upon request on master plans to be approved by ministries, branches and provincial-level People's Committees;

c. To publicize socio-economic development strategies and plans and socio-economic development master plans for regions after they are approved; to guide ministries, ministerial-level agencies, government-attached agencies and provincial-level People's Committees in formulating master plans and five-year and annual plans with a view to associating socio-economic development with defence and security maintenance and conforming with approved national and regional socio-economic development strategies, master plans and plans;

d. To synthesize general major balances of the national economy, including savings-consumption balances; financial and monetary balances; foreign loans and foreign debt payment; state budget; and development investment capital for the entire society and supervise these balances; to propose major solutions to firmly maintaining balances according to strategic and planned targets; to coordinate with the Ministry of Finance in elaborating state budget estimates to ensure the achievement of the planned targets;

e. To guide ministries, branches and localities in monitoring and evaluating the implementation of their plans; to monitor, evaluate and report on the implementation of socio-economic development plans on a monthly, quarterly and annual basis.

7. Regarding development investment and state budget allocation:

a. To synthesize development investment. To formulate master plans and five-year and annual plans on investment for the entire society; list of programs and projects prioritized for foreign investment and ODA; lists of state capital-funded investment programs and projects of group A or higher level and lists of national target programs, target programs and important projects;

b. To set the total and structure of development investment capital for the entire society according to branches and domains; the total and balances of state budget development investment capital for branches and domains (including investment structures of central and local budgets); total state capital reserves, total state capital contributed to joint-stock and joint-venture businesses, additional capital for public enterprises, total capital of government bonds and bonds of branches and domains, total capital of national target programs;

To assume the prime responsibility for, and coordinate with the Ministry of Finance in, synthesizing detailed investment capital allocations in budget balances for ministries and branches, additional capital for state reserves, contributed domestic capital in ODA funded and important projects, investment capital from government bonds and national bonds for branches and domains;

To synthesize detailed capital allocations for each national target program (including investment capital and non-business capital), target programs and other targeted additional amounts;

c. To assume the prime responsibility for, and coordinate with the Ministry of Finance, concerned ministries and branches and localities in, setting criteria and quotas for development investment fund allocations; to supervise and evaluate the efficiency of the use of state development investment capital, especially development investment capital from the state budget;

d. To act as the standing member of the State Evaluation Council for National Important Investment Projects; to evaluate national target programs, target programs and other projects as assigned by the Prime Minister; to verify other investment projects under the investment law.

8. Regarding domestic and foreign investment and Vietnam's overseas investment:

a. To act as the key agency in assisting the Government in managing activities of domestic investment, foreign direct investment in Vietnam and Vietnam's offshore investment; to organize investment promotion activities and provide guidance on investment procedures;

b. To register, or verify and grant certificates of, offshore investment and assume the prime responsibility for verifying and granting investment certificates to BOT (build-operate-transfer), BTO (build-transfer-operate) and BT (build-transfer) investment projects;

c. To assume the prime responsibility for, and coordinate with concerned ministries and branches in, guiding, monitoring, inspecting and examining investment activities and proposing solutions to problems arising in the formulation and implementation of investment projects; to evaluate results and socio-economic efficiency of domestic and foreign investment activities; to examine, supervise and conduct overall evaluation of public investment activities. To report on the implementation of target programs and investment projects under the Prime Minister's investment decisions; to act as the key agency in organizing meetings at home and abroad between the Prime Minister and investors.

9. Regarding ODA management:

a. To act as the key agency in attracting, coordinating and performing the state management of ODA; to assume the prime responsibility for formulating strategies, policies and orientations for ODA attraction and use; to guide managing agencies in making lists of programs and projects prioritized for ODA; to synthesize lists of programs and projects calling for ODA;

b. To assume the prime responsibility for making content preparations and organizing the raising and coordination of, ODA sources in line with strategies and orientations for ODA attraction and use; to propose the conclusion of framework and specific treaties on non-refundable ODA according to law; to assist ministries, branches and localities in preparing contents and monitoring negotiations with donors on specific treaties on ODA;

c. To guide concerned units and organizations in preparing ODA-funded programs and projects; to assume the prime responsibility for, and coordinate with the Ministry of Finance in, determining domestic financial mechanisms for the use of ODA funds which are allocated from or sub-lent by the state budget;

d. To assume the prime responsibility for, and coordinate with the Ministry of Finance in, reviewing and elaborating ODA fund disbursement plans, formulating annual plans on contributed domestic capital and settling urgent requests related to ODA-funded programs and projects entitled to state budget allocations;

e. To monitor, examine and evaluate ODA-funded programs and projects according to law; to act as the key agency in handling inter-ministerial or -branch matters according to its competence or proposing them to the Prime Minister for handling; to sum up and make periodical reports on the situation and efficiency of ODA attraction and use.

10. Regarding bidding management:

a. To evaluate bidding plans and results of contractor selection for projects falling under the Prime Ministers deciding competence under the bidding law; to coordinate with concerned ministries and branches in monitoring the organization of bidding for projects approved by the Prime Minister;

b. To guide, inspect, examine, supervise and synthesize the implementation of the bidding law; to organize the bidding information network under the current decentralization mechanism.

11. Regarding management of economic zones:

a. To formulate, and examine the implementation of, master plans and plans on development of economic zones nationwide;

b. To organize the evaluation of master plans on economic zones and the establishment of economic zones; to coordinate with concerned ministries and branches and provincial-level People's Committees in guiding the implementation of master plans and plans on development of economic zones after they are approved;

c. To act as the key agency in guiding, examining, reviewing and reporting on the situation of development investment and operation of economic zones; to assume the prime responsibility for, and coordinate with concerned agencies in, proposing models and management mechanisms for economic zones.

12. Regarding establishment and development of enterprises:

a. To assume the prime responsibility for, and coordinate with concerned ministries and branches in, formulating strategies, programs and plans to reorganize, renew and develop state enterprises; management mechanisms and support policies for the reorganization of state enterprises and development of small- and medium-sized enterprises of various economic sectors;

b. To join ministries, branches and provincial- level Peoples Committees in evaluating schemes on establishment, organization and re-structuring of state enterprises; to synthesize the reorganization, renewal and development of state enterprises and the development of enterprises of other economic sectors nationwide;

c. To assist the Government in performing the unified state management of business registration; to provide guidance on business registration procedures; to examine, monitor and synthesize the situation of business registration by, and post- registration in, enterprises nationwide.

13. Regarding collective economy and cooperatives:

a. To elaborate development strategies, programs and plans on collective economy and cooperatives; to organize, guide, examine, urge and synthesize the implementation of development programs and plans on collective economy and cooperatives;

b. To formulate management mechanisms and support policies for the development of collective economy and cooperatives.

14. Regarding statistics:

a. To assist the Government in performing the unified state management of statistics; to perform the unified management of the publication and supply of statistical information and annual statistical directories according to law;

- b. To prescribe the competence to promulgate statistical classification tables (except those of courts and procuracy) according to law;
- c. To establish the national statistical indicator system, grassroots-level statistical reporting mechanism, general statistical reporting mechanism, long-term and annual national statistical survey programs and statistical surveys according to law.

15. To represent the owner of state capital portions in state invested enterprises in branches and domains under its management, covering:

- a. Formulating schemes on reorganization and ownership transformation of state enterprises, submitting them to the Prime Minister for approval and directing their implementation after they are approved;
- b. Proposing the Prime Minister to appoint and relieve from office, or appointing and relieving from office according to its competence, leaders, managers and chief accountants of state enterprises;
- c. Approving according to its competence, or submitting to the Prime Minister for approval, organization and operation charters of state invested enterprises in branches and domains under its management.

16. To organize and direct the implementation of plans on scientific research and application of scientific and technological advances to the domains under its management;

17. To enter into international cooperation in the domains under its management according to law.

18. To perform the state management of public services in the domains under its management according to law; to manage and direct the operation of non-business organizations under its management;

19. To perform the state management of the operation of associations and non-governmental organizations in the domains under its management according to law.

20. To inspect, examine, and settle complaints and denunciations, to prevent and combat corruption and negative practices and handle violations of law in the domains under its management according to law.

21. To decide on, and direct the implementation of, its administrative reform program in line with the objectives and contents of the State's administrative reform program after it is approved by the Prime Minister.

22. To manage its organizational apparatus and payroll; to implement the wage regime and policies and regimes on entitlement for and commendation and disciplining of cadres, public employees and servants under its management according to law; to provide professional training and retraining for cadres, public employees and servants in the domains under its management.

23. To manage finance and assets assigned to the Ministry and disburse state budget funds allocated to the Ministry according to law.

24. To perform other tasks and exercise other powers as prescribed by law or as assigned by the Government or the Prime Minister.

The legal precursor of MPI originated from December 31st, 1945, immediately after the establishment of the Democratic Republic of Vietnam when President Ho Chi Minh, on behalf of the Provisional Government of the Democratic Republic of Vietnam, issued Decree No. 78 - SL on establishment of Committee for Construction Planning. Subsequently, on October 9th 1961, the Government Council issued Decree No.158-CP prescribing missions, powers and organizational structure of the State Planning Committee. On November 1st, 1995, the Government issued Decree No.75/CP prescribing functions, tasks, powers and organizational structure of the Ministry of Planning and Investment (MPI), on the basis of consolidation of the State Planning Committee and the State Committee for Cooperation and Investment. Decree No. 75/CP is the legal founding document of MPI, a copy of which is attached.

2.4 If yes, does the organization have the necessary registrations, permits and licenses to undertake planned activities?

3. Structure and culture

3.1 Use an organization chart to describe the hierarchic structure of the organization

MPI is headed by a Minister, supported by six Deputy Ministers responsible for clusters of departments and thematic areas. Further details on MPI's structural organization are available at: <http://www.mpi.gov.vn/en/Pages/ldbkhtd.aspx>. In accordance with Decree No. 116/2008/ND-CP, following is the organizational structure of MPI:

1. Department of National Economic Issues.
2. Department of Local and Regional Economy.
3. Financial and Monetary Department.
4. Department of Industrial Economy.
5. Department of Agricultural Economy.
6. Department of Service Economy.
7. Department of Infrastructure and Urban Centers;
8. Department of Management of Economic Zones.
9. Department of Investment Supervision and Appraisal;
10. Foreign Economic Relations Department.
11. Department of Labor, Culture and Social Affairs.
12. Department of Science, Education, natural Resources and Environment;
13. Planning Management Department.
14. Department of National Defense and Security.
15. Cooperatives Department
16. Department of Legislation.
17. Organization and Personnel Department.
18. Emulation and Commendation Department.
19. Inspectorate.
20. Ministry Office.
21. Bidding Management Department.
22. Agency of Enterprise Development.
23. Foreign Investment Agency.
24. General Statistics Office.
25. Institute of Development Strategy.
26. Central Institute of Economic Management.
27. National Center for Socio-Economic Information and Forecast.
28. Informatics Center.
29. Vietnam Investment Review.
30. Economics and Forecast Review.
31. Policy and Development Academy.

The Organizations defined in Clauses 1 thru 24 of this Article are administrative organizations assisting the Minister in performing the state management function; the organizations defined in Clauses 25 thru 31 are state non-business organizations operating to serve state management work.

The Office, the Inspectorate, the Foreign Relations Department, the Department of National Economic Issues, the Department of Local and Regional economy and the Planning Management Department may organize sections.

The Minister of Planning and Investment shall submit to the Prime Minister for promulgation decisions defining the functions, tasks, powers and organizational structures of the general Statistics Office, the Development Strategy Institute, the Central Institute of Economic Management and the National Center for Socio-Economic Information and Forecast, and decide to promulgate a list of other existing non-business organizations attached to the Ministry.

3.2 Describe the administrative structure

As a central ministry of the Government of Viet Nam, MPI is divided into thirty departments, agencies and affiliated centres covering a broad range of legal, policy, and strategic development planning themes, including formulation and monitoring of five-year Socio-Economic Development Strategy and Plans. Departmental leadership is provided by Directors General who forms the executive cadre of the ministry. As a functional department within MPI, DSENRE is subject to all administrative policies of the Ministry, including annual work planning, performance markers, budgetary and approval levels delegated by the Vice-Minister and Minister.

DSENRE has a total cadre of 32 staff, of which 8 will be responsible to guide and provide oversight for the implementation of Viet Nam's Green Growth Strategy. DSENRE will maintain accountability for overall delivery of all aspects of GCF Readiness Support, with day to day operations delivered through an existing administrative structure established by MPI/DSENRE under a green growth/climate finance initiative jointly supported by UNDP and USAID. For delivery of activities sponsored by the GCF Readiness and Support Programme, DSENRE will be supported by its dedicated office with a national coordinator, two administrative assistants, a national technical advisor, and an accountant, all of which are included as the in-kind contribution by the Government of Viet Nam to this proposal for GCF readiness support.

3.3 Specify the position of the controller (or person responsible for financial management and financial oversight) within the organization

Funds from the GCF Readiness and Preparatory Support Programme will be administered through MPI's dedicated bank account with Vietcombank, with co-signing authority jointly vested in the Director General, Deputy Director General, and accountant. Monthly budget projections and consolidated accounts are prepared by a dedicated accountant, with KPMG under a long-term service contract to provide annual auditing services for MPI.

3.4 Specify which parts of the organization will be directly involved with GCF related activity:

The Department of Science, Education, Natural Resources and Environment (DSENRE) will be directly responsible and accountable for all GCF related activity with respect to support from the GCF Readiness and Preparatory Support Programme.

DSENRE is headed by one Director General, and four Deputy General Directors, responsible for delivery of its departmental mandate. Within DSENRE, eight people will be responsible to guide and provide oversight for the implementation of Viet Nam's Green Growth Strategy, with the Director General holding overall accountability to ensure activities are delivered in accordance with the agreement with the GCF. DSENRE will maintain accountability for overall delivery of all aspects of GCF Readiness Support, with day to day operations delivered through an existing administrative structure established by MPI/DSENRE (CIGG PMU). For delivery of activities sponsored by the GCF Readiness and Support Programme, DSENRE will be supported by its dedicated office with a national coordinator, two administrative assistants, a national technical advisor, and an accountant, all of which are included as the in-kind contribution by the Government of Viet Nam to this proposal for GCF readiness support.

DSENRE is the functional department which supports MPI's role as National Designated Authority (NDA) for the Green Climate Fund in Viet Nam.

3.5 Specify staff numbers for the division involved.

DSENRE has a total of thirty-two staff, of which eight will be directly involved in this Readiness and Preparatory Support initiative as follows:

- Director General, DSENRE
- Deputy Director General, DSENRE
- Senior Official, DSENRE
- Officials (x3), DSENRE
- Accountant, DSENRE

Additionally, the Deputy Director General of MPI's Foreign Economic Relations Department, which is responsible to administration of external development finance, will contribute strategic guidance to this initiative.

3.6 Provide details of staff code of conduct and conflict of interest policy

All civil servants are required to conform to the 2008 Law on Cadres and Civil Servants (see http://www.moj.gov.vn/vbpg/en/_layouts/printeng.aspx?id=10505). This Law provides for adherence to ethics and code of conduct standards including requirements for civil servants to perform their duties with integrity and in an impartial manner, and prohibits fraud and corruption.

3.7 Was your institution ever subject to any fiduciary standard checking by any international organization (e.g. United Nations, Multilateral Development Bank, European Commission etc.)? If yes, please provide the following details

a. When was it done?

b. Provide outcome of the same and subsequent contract with those organization.

c. Was there any violations by the entity against those fiduciary standards and what actions were taken thereafter? UN micro assessment under the Program Cycle of One Plan 2012-2016, Vietnam was conducted in 2013 by Moore Stephens LLP with low risk assessment (as see details in the attached report).

As part of periodic Public Expenditure and Financial Accountability (PEFA) reviews, fiduciary standards are examined against international performance benchmarks. The latest report from 2013 (see <https://www.pefa.org/en/assessment/vn-jul13-pfmpr-public-en>) indicated the following:

Topic	Score	Description
Income/expenditure information on donor-funded projects which is included in fiscal reports.	A	In Vietnam, basically all the external loan and grant finance received by agencies and units of the Government is included in the fiscal reports. The only exceptions are the small amounts paid directly by donors to third parties outside Vietnam (e.g. for technical assistance). (page 37)
Degree of compliance with rules for processing and recording transactions	A	Clear rules are laid down for the processing and recording of payments by the Treasury. Evidence has to be provided that payments have been correctly authorised within the spending unit concerned, and, where applicable, that correct procurement procedures have been followed. Very few payment instructions are rejected by the Treasury. Data are recorded in the Treasury system such that reports of the aggregate progress of budget execution can readily be produced. (page 76)
Regularity of reconciliation and clearance of suspense accounts and advances.	A	The TABMIS system enables sufficient information to be recorded about each transaction as to largely eliminate the need to keep amounts in suspense accounts, although the position may be less clear in those provinces not yet covered by TABMIS. Advances to officials for travel, etc. have to be cleared within a month, and there are no indications from auditors that this is not being complied with. (page 81)
Timeliness of the issue of reports	A	Reports are available monthly in the fourth week of the subsequent month. (p. 83)
Public access to complete, reliable and timely procurement information	B	Procurement plans, tendering opportunities and contract awards (above a threshold of VND 2billion, equivalent to US\$100,000) are published in MPI's Procurement Gazette and on the Ministry's website. However, no information is published about the results of procurement complaints. (p. 73)

GoV's budget system, the Treasury and Budget Management Information System (TABMIS), records full information about each budget transaction, so that detailed out-turn information is available to compare with the detailed budget allocation plans. Under this GCF readiness initiative, reporting will be conducted by MPI in full accordance with GCF requirements.

4. Financial management

Please provide details of the following:

<p>4.1 Accounting Standard (GAAP) followed by the organization</p> <p>The Treasury and Budget Management Information System (TABMIS) is the cornerstone of the Vietnamese government’s public financial management reforms, and provides transparency and accountability in public financial management by modernizing the state treasury and budget management functions, including budget allocation, accounts payable, accounts receivable, cash management, purchase orders, and reporting management.</p> <p>Viet Nam is in the process of adopting International Public Sector Accounting Standards (IPSAS) with support from the IMF and World Bank. On 20 November 2015, the Ministry of Finance (“MOF”) issued Accounting Law No. 88/2015/QH13 (“Accounting Law 2015”), which will supersede Accounting Law No. 03/2003/QH11 (“Accounting Law 2003”). Accounting Law 2015 will be effective from 1 January 2017, including 6 Chapters and 74 Articles, regulating the contents of accounting work and State management of the accounting system. During the roll-out of IPSAS, government departments, including MPI, will continue to apply existing accounting standards.</p> <p>International Financial Reporting Standards (IFRS) are global accounting standards issued and regulated by the International Accounting Standard Board (IASB) to guide the preparation and presentation of financial reports. Vietnam uses IFRS as a basis for its own system, the Vietnamese Accounting Standards (VAS).</p>
<p>4.2 Accounting software</p> <p>Accounting and financial reporting by MPI for GCF support will be conducted through the existing software standard: Bravo 7 Pro accounting software.</p>
<p>4.3 Describe the composition (quantity and qualifications) of key staff in the area of financial management</p> <p>MPI/DSENRE will assign one or/and two of its accountants to be responsible for financial reporting, budget planning and administration for all proceeds from the GCF Readiness and Preparatory Support Programme.</p> <p>They are the certified accountant under the Vietnam Association of Accountants and Auditors (VAA) with 20 years of experience in administration and finance. The accountant holds a Bachelor of Accounting, a Certificate of US Accounting and a Certificate of Auditing from the Hanoi University of Finance, as well as a Certificate of Chief Accountant from the Hanoi University of Economics, together with a Certificates of Procurement.</p>
<p>4.4 Describe the organization’s accounting system including the internal control framework</p> <p>Accounting is based on accrual method, with monthly balance reconciliation reports prepared by the accountant and endorsed by line authority official before being submitted to MPI senior management, including the Director General and Deputy Director General of DSENRE.</p> <p>In accordance with GoV procedures, internal control mechanism provide for an effective current examination and review of financial, management and operational activities, in order to ensure: (a) regularity of the receipt, custody and disposal of all financial resources administered by ministries and departments; (b) conformity of commitments and expenditures with the allocations, appropriations or other financial provisions decided upon by senior management, with allocations decided upon existing agreements with development partners and other entities; (c) effective and efficient management and economic use of all resources administered by MPI.</p> <p>All expenditures are coded, with invoices and payment vouchers officially stamped by the accountant, identifying the source of funds and separate confirmation of delivery of satisfactory services signed by the reporting officer before authorization for payment is released by MPI’s designated officer (Director General or Deputy Director General).</p>
<p>4.5 Internal audits including whether outsourced or in house. Include copies of last 3 reports.</p> <p>Funds provided to MPI by Development Partners (DPs) are subject to independent external audit on an annual basis, or semi-annually based on the requirements of DPs.</p> <p>To be attached with 3 audit reports for detailed information.</p>

<p>4.6 Financial statements for the last 2 years</p> <p>To be attached with financial statements from DP projects for detailed information.</p>
<p>4.7 Describe how the organization ensures zero tolerance for fraud, financial mismanagement and other forms of malpractice by staff members, consultants, contractors, etc.</p> <p>Activities to prevent and combat fraud and corruption in Vietnam are governed by the 2005 Anti-Corruption Law, which includes approaches to anticorruption such as asset declarations for civil servants, job rotation, and strong focus on transparency. The law includes ambitious and all-embracing provisions on the prevention, detection, and handling of corruption, as well as the organization and mechanisms for concerned agencies (including media, international organizations, etc.).</p> <p>The guideline for implementing the 2005 Anti-Corruption Law was issued through the Prime Minister’s Decision 30/2006/QĐ-TTg (6 February, 2006) and Resolution No. 4-NQ/TW (21 August, 2006) of the Party’s Central Committee (Session X). The AC Law was most recently amended in 2012, which introduced stricter transparency guidelines for public sector governance. Most notably, the amended AC Law is enhanced by Decrees No. 78 and 90 which clarify the implementation of provisions under the AC Law with regards to the assets and accountability of public officials. The Government Inspectorate (GI) offices under line ministries and departments at the central and provincial level also investigate allegations of fraud and corruption, with application of penalties.</p> <p>Payments for consultant service contracts are based on delivery of satisfactory outputs, with initial outputs typically no more than 10%-15% of total contract value, and final holdback (typically 20%) based on satisfactory delivery of final outputs in accordance with the requirements of the contract. Payments by MPI/DSENRE are withheld in events of unsatisfactory performance and/or deliverables.</p>
<p>4.8 Describe how the organization ensures that the resources are only spent for their stated and agreed purposes.</p> <p>MPI/DSENRE allocates and disburses funds in accordance with approved work plans, verification of satisfactory deliverables, and in adherence to its financial management system. Monthly reconciliation of project budgets is conducted by MPI/DSENRE accountant and finance officers, in conjunction with bank authorities to ensure proper tracking of accounts receivable and disbursements. Cost norms are applied based on the requirements of DPs, for example the UN-EU Cost Norms for 2015 (developed based on market assessment for a range of consultancy and other services such as rental of meeting rooms, accommodation, translation, etc.).</p>
<p>4.9 Give the name of the organization responsible for independent auditing and specify how the audit recommendations are followed up.</p> <p>Independent auditing of funds from development partners that are administered by MPI/DSENRE is conducted by KPMG. Audit recommendations are subject to management response by MPI/DSENRE such that improvements are recorded during the next audit cycle.</p>

5. Procurement

Please provide details of the following:

<p>5.1 Procurement procedures including procurement methods for both selection of consultants and procurement of good & services.</p> <p>The existing legal and regulatory framework on public procurement includes the Procurement Law No. 61/2005/QĐ11 dated November 29, 2005, Law No. 38/2009/QĐ12 on Amendments to the Procurement Law dated June 19, 2009 and subsequent implementing Decrees (including Decree No. 111/2006/ND-CP, dated September 29, 2006; Decree No. 58/2008/ND-CP dated May 5, 2008; and Decree No.85/2008/ND-CP dated October 15, 2009). These shall be replaced by the revised Public Procurement Law since July 1, 2014.</p> <p>Public Procurement Laws and draft regulations implementing Decrees found that they: (a) require procurement planning to be prepared and approved in a timely manner with proper linkage to budget availability; (b) mandate open</p>

competitive bidding as the default procurement method and provide detailed procedures for open competitive bidding; (c) provide a reasonably clear allocation of responsibilities and accountabilities to the procuring entities, employers and project owners; and (d) provide sanctions against unacceptable practices including fraud and corruption. In addition, the Government will issue various Model Bidding Documents (including forms and templates of contract) and bid evaluation templates for use by procurement practitioners. The Decree on Selection of Contractors, which is being drafted and scheduled to officially issue in June 2014, however does still propose to allow an automatic use of direct contracting and single sourcing for small contracts below certain monetary thresholds.

The open competitive bidding procedures described in the procurement laws and regulations generally adequately accommodate transparency, economy and efficiency of the procurement process. An open competitive bidding for civil works typically includes the following steps and requirements:

- a) *Preparation of bidding documents.* Bidding documents are prepared using the templates issued by MPI. Bidding documents clearly state bid evaluation and qualification criteria and contain no restrictions. Bidding documents must be approved by a competent authority before issuance (typically Vice-Minister or Director General level);
- b) *Advertising of bidding opportunity.* Invitation for bids must be advertised in the Public Procurement Newspaper, which is nationally available, for three consecutive issues and published in the MPI's public procurement website (see: <http://muasamcong.mpi.gov.vn>). Bidding documents can be sold (at maximum VND1 million or US\$45 for one set) or released free of charge to interested bidders three days after the advertising date. The laws prohibit any practices to restrict bidders from access to bidding documents;
- c) *Preparation, submission and receipt of bids.* Bidders shall be given at least 20 days for preparation of their bids counting from the date of bidding document issuance. Upon the deadline for bid submission, the procuring entity shall immediately open all bids received in the presence of bidders' representatives. The procuring entity shall read aloud bidders' names, bid prices and discount offers and other important information; prepare the minutes of bid opening and send a copy to each participating bidder;
- d) *Evaluation of bids.* The laws require that bid evaluation must be completed within 45 days after the date of bid opening. Extension of bid validity is permissible but not exceeding 20 days. Evaluation of bids includes three main steps: (i) preliminary examination, which includes the checking on eligibility, bid security, bidder's experience and qualifications; (ii) detailed evaluation, which includes evaluation of technical responsiveness and calculation of evaluated bid prices through error corrections, adjustments, and discount application; and (iii) ranking of responsive bids to determine the top ranked bid for contract award consideration. The laws permit the use of a merit point (scoring) system for technical evaluation of bids in addition to a pass and fail methodology.
- e) *Contract award, negotiations and signing.* The laws require that to be selected for contract award, the bidder must: (i) have submitted an eligible, qualified, and technically responsive bid; (ii) have the lowest corrected price or lowest evaluated bid price; and (iii) have the proposed contract price not exceeding the approved pre-bid cost estimate. The procuring entity will negotiate and sign the contract with the selected bidder based on the contract form included in the bidding documents and the selected bidder's bid; and
- f) *Publication of contract award.* After the contract is awarded, the procuring entity shall publish the contract award information in the Public Procurement Newspaper. Information to be published includes name and descriptions of the contract, name of the successful bidder, and contract price.

The Government of Vietnam has established an e-Government Procurement system (e-GP, available at muasamcong.mpi.gov.vn). This e-GP system allows procuring entities to electronically handle bidding process (e-tendering) in a more transparent and fair manner with lower administrative costs.

Procurement could be undertaken by MPI systems for both international and national procurement, with support from its dedicated office. However, due to the complexity of collecting information, contacts, interviews and payments to the international experts outside Vietnam, MPI could request UNDP to undertake the international procurement.

5.2 Levels of endorsing and approving authority. Please specify particularly

- i) Procurement guidelines or standards including composition and role of Procurement Committee;
- ii) Procedures for overseeing the procurement function;

In case of open competitive bidding for consulting services, the procuring entity shall advertise in the Public Procurement Newspaper to seek consultants' interests; establish a shortlist of at least three qualified firms, prepare bidding documents using MPI's templates, issue the bidding documents to shortlisted consultants and give them at

least 10 days for preparation of proposals; receive proposals and immediately open the technical proposals; score technical proposals against prescribed evaluation criteria; publicly open the financial proposals of those consultants who secure the minimum technical score and conduct financial and final evaluation to determine the highest ranked consultant; negotiate and sign the contract with the selected firm and publish the contract award in the Public Procurement Newspaper.

Note that the Decree on Selection of Contractors proposes a threshold of VND 0.5 billion (US\$24,000) under which goods, works, non-consulting and consulting services may be procured through direct contracting. Compared to the thresholds in the existing laws and regulations, this threshold is substantially lower meaning more mandatory use of competitive bidding for the Program. Bidding documents, required by the Procurement Law, must include a provision clearly stating various prohibited acts in procurement process including fraud and corruption. After bids are received and opened, they shall be required to be preserved at a safe place; information on such bids and bid evaluation processes shall be treated as confidential.

Within MPI/DSENRE procurement authority is vested in the Director General and Deputy Director General, with co-authorization required by the Vice-Minister of MPI after validation by MPI's Department of Procurement.

5.3 Policy on fraud and corruption

Activities to prevent and combat fraud and corruption in Vietnam are governed by the 2005 Anti-Corruption Law, which includes approaches to anticorruption such as asset declarations for civil servants, job rotation, and strong focus on transparency. The law includes ambitious and all-embracing provisions on the prevention, detection, and handling of corruption, as well as the organization and mechanisms for concerned agencies (including media, international organizations, etc.).

The guideline for implementing the 2005 Anti-Corruption Law was issued through the Prime Minister's Decision 30/2006/QĐ-TTg (6 February, 2006) and Resolution No. 4-NQ/TW (21 August, 2006) of the Party's Central Committee (Session X). The AC Law was most recently amended in 2012, which introduced stricter transparency guidelines for public sector governance. Most notably, the amended AC Law is enhanced by Decrees No. 78 and 90 which clarify the implementation of provisions under the AC Law with regards to the assets and accountability of public officials. The Government Inspectorate (GI) offices under line ministries and departments at the central and provincial level also investigate allegations of fraud and corruption, with application of penalties.

5.4 Ineligibility criteria

All bidders must meet the qualification, experience, and knowledge requirements described in bidding documents for consultant services.

5.5 History of managing funds from other donors including multilateral development banks and bilateral donors

Funds have been received and managed by MPI as follows:

- "Strengthening Capacity and Institutional Reform for Green Growth and Sustainable Development in Viet Nam (CIGG)", funded by USAID and UNDP, US\$4.1 million (2014-2018).
- "Project on Implementation of Eco-Industrial Park Initiative for Sustainable Industrial Zones in Viet Nam", GEF and UNIDO, US\$57 million (2014-2019)
- "Green Growth Strategy Facility", Belgian Technical Cooperation, Euro 6 million (2013-2020).
- "Support VN on Economic Reform/Green Growth", GIZ, US\$5 million (2014-2017).

MPI is also involved as co-implementing partner with other government ministries and provinces in over \$1 billion of annual ODA from the World Bank, Asia Development Bank, Agende de developpement francaise (AfD), JICA and other development partners. Two examples include:

- Da Nang Sustainable City Development Project, World Bank, US\$202 million (2013-2018).
- Urban Water Supply and Wastewater Project, World Bank, US\$200 million (2011-2016).

Under Decree 38, MPI also coordinates and governs all ODA provided to Vietnam, ensuring efficient and effective allocation to development finance to national priorities, and delivery of results and development impact.

5.6 Size(s) of projects/programmes undertaken from the MDB and bilateral donors, including total project costs in US\$ and duration

See examples above.

5.6 Procedures for allocating resources

Resource allocation is governed by Decree 16 (former Decree 38) for official development assistance (ODA) and in accordance with resource needs described in the Socio-economic Development Plan (SEDP), 2016-2020. As part of MPI's annual development and budget planning system under the SEDP, resources are allocated to high-priority needs identified by ministries, departments, provinces and localities. MPI applies a number of screening tools to prioritize resource allocations, including relevance to implementation of Vietnam's Green Growth Strategy and Climate Change Strategy.

5.7 Criteria used to evaluate service or good providers

Procurement of service and good providers is governed by GoV's procurement system (described in section 5.1 above). Outputs and services by consultants and good providers are assessed in accordance with requirements described in TORs and/or service contracts. Outputs are subject to technical review by MPI staff and external stakeholders, including development partners, to ensure adherence to quality standards and requirements of the TORs. Good providers (e.g., workshop meeting room rentals) are based on the lowest of three competitive bids and fall within existing cost norms of development partners (e.g., EU-UN Cost Norm 2014). Payment to consultants is withheld by MPI in the (unlikely) event of unsatisfactory services. Proper due diligence and vetting of service and good providers supports effective value for money in all of MPI's procurement actions.
