

**PROJECT DOCUMENT****Viet Nam**

**Project Title:** Leveraging Viet Nam’s Social Impact Business Ecosystem in Response to COVID-19 (ISEE-COVID)

**Project Number:** 00116470

**Implementing Partner:** United Nations Development Programme

**Responsible Party:** Agency for Enterprise Development/Ministry of Planning and Investment

**Start Date:** October 2021      **End Date:** April 2024      **PAC Meeting date:** 25 October 2021

**Brief Description**

Social impact businesses (SIBs) are key to ensuring that the private sector realizes its full potential as a partner in achieving the SDGs. SIBs combine commercial business models with the objective of generating positive social and environmental impacts. Although most SIBs are micro-sized, with many employing only a small number of workers, they are highly inclusive enterprises.

The project “Leveraging Viet Nam’s Social Impact Business Ecosystem in Response to COVID-19 (ISEE-COVID) aims to enhance the resilience of SIBs in Viet Nam and contribute to reducing the impact of COVID-19 on vulnerable groups, especially women and girls. To achieve this, the project will have two primary objectives: (i) improving the effectiveness of SIBs, especially those led by women and vulnerable groups, to address the social and gendered impacts of COVID-19 and to accelerate the achievement of the SDGs; and (ii) strengthening the regulatory environment for SIBs to be more gender-responsive, inclusive and transparent, thereby supporting the resilience of SIBs to COVID-19 impact, with a particular focus on SIBs that are led by women and other vulnerable groups.

The project will apply an ecosystem approach to tackle the inter-connected and systemic challenges that SIBs face. In particular, it will: (i) improve the capacity of SIBs themselves; (ii) build the capacity of and coordination between SIB intermediaries; and (iii) strengthen government policy making capacities for enabling SIBs.

**Project locations**

Ha Noi, Ho Chi Minh City, Da Nang (for activities of the SIB-support network) and selected 02 provinces for policy experimentation.

**Contributing Outcome (UNDAF/CPD, RPD or GPD):**

- OSP outcome 1.1: *inclusive and equitable social protection systems and poverty reduction services* that links to UNDP CPD outcome 1: *Poverty eradication and greater socio-economic equity* by enabling SIBs to provide support for vulnerable groups by creating jobs for them and delivering essential services.

-OSP outcome 2.1: *accelerating transition to low-carbon and green development, and enhancing adaptation and resilience to climate change and natural disasters, with a focus on empowering the poor and vulnerable groups* that links with UNDP CPD outcome 2: *Low-carbon, resilience and environmentally sustainable development* through supporting and scaling-up activities of SIBs that focus on addressing environmental protection and climate change challenges.

- OSP outcome 4.1: *participatory and transparent decision-making processes and accountable institutions* that links with UNDP CPD outcome 3: *Institutional accountability, people's voice and access to justice* and increasing women's participation in decision-making and representation in leadership positions, through dedicated support to and capacity building of women-led SIBs.

**Indicative Output(s) with gender marker:****Gender marker: 02:**

Output 1.1: Access to business development services improved for SIBs, especially those led by women and vulnerable groups.

Output 1.2: Access to finance improved for SIBs, especially those led by women and vulnerable groups.

Output 2.1: A network of SIB intermediaries established and implemented, with a focus on supporting SIBs led by women and vulnerable groups.

OUTPUT 2.2: Capacity building programs and support delivered to existing SIB intermediaries, especially those supporting SIBs led by women and vulnerable groups.

Output 2.3: Incentives given to new and mainstream intermediaries having new integrated impact programs

Output 3.1: Capacity building program designed and delivered to the government on supporting SIBs, with a focus on gender responsiveness.

Output 3.2: Policy support delivered to the government to build a gender-responsive, inclusive, and transparent regulatory framework to support SIBs.

Output 3.3: Policy experimentation on supporting SIBs carried out at the provincial level, with a focus on gender responsiveness.

<b>Total resources required:</b>	USD 2,510,489	
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	N/A
	<b>Donor:</b>	USD 2,375,343
	<b>Government:</b>	USD 97,745
	<b>In-Kind:</b>	USD 37,401
<b>Unfunded:</b>	N/A	

Agreed by (signatures):

UNDP
<i>Terence D. Jones</i>
Terence D. Jones UNDP Resident Representative a.i.
Date: 15 November 2021

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## I. DEVELOPMENT CHALLENGE

The ambitions of the 2030 Agenda demand that we work together, across sectors, to transform the world

we live in and achieve the Sustainable Development Goals (SDGs). This involves adopting a sustainable and inclusive approach to economic growth, through innovation and technology, improving productivity whilst addressing key social and environmental challenges. Unlike the Millennium Development Goals, which were targeted at governments, the SDGs recognize the crucial role played by the private sector in driving sustainable development and achieving the SDGs. Under the 2030 Agenda, businesses are expected to work closely with other key actors, including governments, civil society and youth, to look at adapting their business models, continuing to drive economic growth while integrating more sustainable business practices.

There are a variety of ways in which the private sector can contribute toward the achievement of the SDGs, including by providing finance for development efforts, and also ensuring against practices that undermine efforts from other stakeholders to achieve the SDGs, adopting business models that are: eco-friendly, include vulnerable groups, respect for the protection of rights and adhere to labour standards. With diversification and creativity in business models, the private sectors can offer valuable contributions and impetus to the achievement of SDGs. Another crucially important approach is the systematic and incremental incorporation of social and environmental impact into the business models of SIBs. Such approaches will not only help grow their business but can also contribute to sustainable development beyond the SIBs.

SIB is a model in which businesses adopt a triple bottom line, driving profit, together with social and environmental impact. In the 2018 study from the Centre for Social Innovation and Entrepreneurship and UNDP, 'Fostering the Growth of the Social Impact Business Sector in Viet Nam', there are an estimated 22,000 SIBs in Viet Nam, representing 3% of total number of registered businesses in the country.<sup>1</sup>

Under this project, SIBs are understood as: Organizations that have both business activities and a commitment to positively impacting society/environment as the two central tenets of their strategic operations. This balancing of their social/environmental aims with a commercial business model allows them to sustainably solve social and environmental challenges.<sup>2</sup> Examples of SIBs include: (i) SEs; (ii) social impact start-ups; (iii) inclusive businesses; and (iv) cooperatives with majority members are vulnerable people.

Vulnerable and marginalized groups are defined as groups and communities of people with low political, social or economic status, putting them at greater risk of human rights vulnerabilities and marginalization, and therefore needing special attention and protection compared to other groups and communities.<sup>3</sup> In the context of this proposal, vulnerable and marginalized groups (herein referred to collectively as vulnerable groups) include: (i) women; (ii) the poor; (iii) people from ethnic minorities (EMs); (iv) persons with

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<sup>1</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>2</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>3</sup> Do Hong Thom, Vu Cong Giao- School of Law, Viet Nam National University, International law for the vulnerable groups (2010)

disabilities (PWDs); and (v) LGBTQI+.

SIBs play a crucial role in providing support for vulnerable groups, mostly by creating jobs for them and delivering essential services. However, due to the effects of the COVID-19 pandemic on Vietnam's society and economy, the positive impacts SIBs can deliver to such vulnerable groups are being eroded. This, coupled with existing institutional and operational challenges to the development of the SIB sector, mean even greater challenges facing SIBs, especially women-led SIBs and different vulnerable groups, are highlighted in the following section as well as in the Annex.

## **1.1 Challenges of the SIB sector in Viet Nam**

### **Business management, measuring impact and access to finance**

Recent studies on the social impact of SIBs identify low capacity in business management, a lack of recognized frameworks for measuring social impact, and a lack of access to finance as some of the long-standing challenges to the growth of SIBs. The 2019 study from the British Council, 'Social Enterprise in Vietnam', identified that the three main financial challenges faced by SEs are: (i) struggling with access to investors (54%); (ii) the limited scope of investments available to them (44%), and; (iii) inappropriate approval procedures and terms to access finance (34%).<sup>4</sup> Also according to this report, more than half of the surveyed SIBs do not measure their social and environmental impact, and that among the ones that do (41%), only 6% have their impact assessments externally validated. This adds to their challenge in attracting investors and funders, who tend to pay more serious attention to those measuring impact returns. The difficulty in accessing finance, as well as a lack of business management capacity, have hindered business growth, including the ability of SIBs to attract high-quality human resources or retain such talent. In general, SIBs are susceptible to sudden changes in the market that directly impact their operating environment.

### **COVID-19, Industry 4.0 and transitioning toward digitalization**

According to a report published in May 2020 by the Centre for Social Initiatives Promotion (CSIP) on the impacts of COVID-19 to SIBs, 77% of SIBs responded that COVID-19 has significantly impacted their business, with 10% of respondents sharing that they are at risk of bankruptcy or permanent closure.<sup>5</sup> The remaining 23% reported being less impacted by COVID-19, but all showed concern that if global supply chain disruptions

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<sup>4</sup> British Council, CIEM, UNESCAP, 'Social Enterprise in Vietnam', (2019). Available at: <https://www.unescap.org/sites/default/files/social-enterprise-in-vietnam.pdf>

<sup>5</sup> CSIP, 'Report on impact of COVID-19 to the Social Impact Businesses', (2020).

resulting from the COVID-19 persisted, together with economic downturn, they would also likely be impacted more severely. The main difficulties recorded relate to sales activities, including reduced revenue from existing customers (76.9%) and difficulties in expanding their market (59%). Follow-on effects include difficulties in sustaining their working capital to pay their employees and cover operational costs (41%), as well as for renting their operating space (37.2%). Moreover, social distancing measures created disruption in their business operations (38.5%) and human resources (34.6%).

Supply chains have been significantly disrupted due to COVID-19, including due to lockdowns, social distancing restrictions, and quarantine policies in different countries, which have all negatively impacted the operations of SIBs. Taken together, with internal and external challenges to grow SIBs, their role in supporting vulnerable groups is significantly diminished, at a time when many such vulnerable groups need such support more than ever, as COVID-19 continues to impact these groups disproportionately.

SIBs also face significant risks and challenges in their transition towards Industrial Revolution 4.0 (IR 4.0). New technologies have been successfully utilized to support the inclusion and accessibility of vulnerable groups in society, including: 3D printed prosthetic limbs for amputees, software to support blind and visually impaired to read documents, and video calling services helping deaf people connect with sign language interpreters in order to communicate with non-signing people. However, many such initiatives are in a nascent stage and are unprepared for coping with major disruptions like those brought on by COVID-19. Further, while new technologies may improve the lives of vulnerable groups, if not managed effectively they can also deepen inequalities and exacerbate the vulnerabilities of those already being left behind. For instance, according to a 2018 report from CISCO on the impact of technology in Viet Nam, Artificial Intelligence will result in over 1.8 million jobs disappearing completely by 2028, with 90% of those jobs lost being in the agricultural sector alone, in which many vulnerable groups are employed.<sup>6</sup>

SIBs are also exposed to further threats due to the emergence of new technologies or ways of doing business, including those driven by COVID-19, such as digital transformation of businesses. As consumers shift to online shopping, or e-commerce, many SIBs continue to lag behind this digital transformation. CSIE's 2020 report has highlighted the degree to which SIBs need support in this regard, concluding that 100% of them need media support to reach customers and investors, while 91% of them need sales support.<sup>7</sup> Across sectors, COVID-19 has made it unavoidable for many businesses to move quickly and transition toward digitization, of which SIBs are at greater risk due to their lower business management capacity and access to finance to effectively make this transition.

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<sup>6</sup> CISCO, 'Oxford Economics, Technology and the future of ASEAN jobs: The impact of AI on workers in ASEAN's six largest economies', (2018). Available at: [https://www.cisco.com/c/dam/global/en\\_sg/assets/csr/pdf/technology-and-the-future-of-asean-jobs.pdf](https://www.cisco.com/c/dam/global/en_sg/assets/csr/pdf/technology-and-the-future-of-asean-jobs.pdf)

<sup>7</sup> CSIE, Impact of Covid-19 outbreak on Social Enterprise sector in Viet Nam and recommended support (2020). Available at: <http://csie.neu.edu.vn/published-reports/>

## Sectors at risk

Some of the sectors most affected by COVID-19 include agriculture, tourism, education, and healthcare. In particular, the agricultural sector is highly impacted by disruptions to global value chains. Tourism has suffered due to social distancing and border closures. According to a World Bank report, Vietnam's tourism sector was estimated to be losing about US\$1 billion per month as a result of first wave restrictions.<sup>8</sup> Household businesses in the tourism sector and related services recorded an 84% reduction in revenue in April, according to a report by UNDP and UNWomen.<sup>9</sup> At the same time, access to education has been impacted by the closure of schools and education facilities. Impacts have been felt significantly by children and teachers in disadvantaged areas due to the digital divide. For example, 93% of teachers in remote provinces reported having not used modern technologies in class prior to COVID-19, and 37% of children encountered technical problems preventing them from joining online classes regularly. Moreover, lower educated and poor families are less likely to have access to the internet and digital devices, or have adequate workspaces, books and other learning materials at home, according to a UNICEF's report.<sup>10</sup> Beyond these sectors, people's health and the provision of healthcare have also been negatively impacted, particularly during periods of strict physical distancing.<sup>11</sup> As these four sectors account for 83.4% of the total number of SIBs in Viet Nam (agriculture: 31.7%; education: 29.7%, tourism: 10.8% and healthcare: 11.2%),<sup>12</sup> the impacts from COVID-19 on the SIBs sector as a whole will be considerable, emphasizing the need for focus on SIBs and the supporting interventions under this project.

### 1.2 Challenges faced by vulnerable and marginalized groups

SIBs play a critical role in promoting and protecting the rights of vulnerable groups. The connection between a thriving SIB sector and support for vulnerable groups can be most closely seen in two key areas. Firstly, SIBs as inclusive businesses create safe, secure and sustainable employment opportunities for many vulnerable groups. Secondly, SIBs deliver essential services as part of their business model either directly for

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<sup>8</sup> World Bank, "What Will Be the New Normal for Viet Nam?", (2020). Available at <http://documents1.worldbank.org/curated/en/101991595365511590/pdf/Taking-Stock-What-will-be-the-New-Normal-for-Vietnam-The-Economic-Impact-of-COVID-19.pdf>

<sup>9</sup> UNDP and UNWomen, 'COVID-19 Socio-economic Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment', (2020). Available at: <https://www.vn.undp.org/content/vietnam/en/home/presscenter/pressreleases/RIM.html>

<sup>10</sup> UNICEF, "Rapid assessment on the social and economic impacts of COVID-19 on children and families in Viet Nam", (2020). Available at <https://www.unicef.org/vietnam/media/5701/file/Rapid%20assessment%20on%20the%20social%20and%20economic%20impacts%20of%20COVID-19%20on%20children%20and%20families%20in%20Viet%20Nam.pdf>

<sup>11</sup> UN analysis on social impacts of COVID-19 and strategic policy recommendations for Viet Nam. Prepared by: FAO, ILO, IOM, UNAIDS, UNDP, UNESCO, UNICEF, UNFPA, UNODC, UN Women and WHO, (2020). Available at <https://www.unicef.org/vietnam/reports/un-analysis-social-impacts-covid-19-and-strategic-policy-recommendations-viet-nam>

<sup>12</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

vulnerable groups or indirectly where such vulnerable groups benefit from the impact created by SIBs (e.g. protecting natural resources depended upon by ethnic minorities). This connection is most strongly made in the 2018 report from CSIE and UNDP study on 'Fostering the Growth of the Social Impact Business Sector in Viet Nam', which highlights that SIBs are highly inclusive businesses in Viet Nam with 74% of businesses surveyed employing workers from disadvantaged groups.<sup>13</sup> Of the SIBs surveyed, 50% held improving health and wellbeing for beneficiaries as the social issue prioritized by the business, with 30% prioritising education, and 15% prioritizing healthcare.<sup>14</sup> Findings from the CSIE and UNDP's study have been further complemented and corroborated by British Council et al.'s report on promoting the growth of Social Enterprises in Viet Nam,<sup>15</sup> as well as two reports on the impact of COVID-19 on SIBs to add further insight into the connection between SIBs and vulnerable groups.<sup>16</sup>

Even before the pandemic, PWDs and EM people were among the poorest people in Viet Nam; in 2016, 17.8% of PWDs were living in poor households, and among EMs, for every 10 PWDs, almost half lived in poor households.<sup>17</sup> As many SIBs are at risk of bankruptcy or permanent closure as a result of the setbacks caused by COVID-19, their capacity to support vulnerable groups through employment and service delivery is limited. SIB capacity to provide indirect support has also been limited, in particular to women, the poor, EM people, PWDs and LGBTQI+.

Overall, there is a lack of specific data on the connection between SIBs and vulnerable groups. However, available baselines and existing data on the challenges faced by vulnerable groups in Viet Nam more generally, and the disproportionate impacts of the pandemic on these groups, help to provide initial snapshots of how the role of SIBs in protecting the rights of such groups can be enhanced, especially with regard to employment and delivery of essential services.

## Women

As 99% of SIBs employ women and 41% are women-led,<sup>18</sup> the impact of COVID-19 on SIBs would cascade down to their female workforce, including both their female employees and women in their supply chain,

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<sup>13</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>14</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>15</sup> British Council, UNESCAP, Social Enterprise UK and CIEM, "Social Enterprise in Viet Nam", (2019). Available at <https://www.britishcouncil.vn/sites/default/files/social-enterprise-in-vietnam.pdf>

<sup>16</sup> CSIP, 'Report on impact of COVID-19 to the Social Impact Businesses', (2020). CSIE, Impact of Covid-19 outbreak on Social Enterprise sector in Viet Nam and recommended support (2020). Available at: <http://csie.neu.edu.vn/published-reports/>

<sup>17</sup> According to the Government's Multidimensional Poverty (MDP) line for the period 2016-2020. UNDP, "Multidimensional Poverty in Viet Nam". (2019). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/poverty/MDPR.html>

<sup>18</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

both in terms of job loss and income reduction.

COVID-19 has also exacerbated women's unpaid care work, childcare responsibilities (especially during school closure) and care of family members with serious illnesses. In more than 70% of the surveyed households in the UNDP and UNWOMEN report, women were responsible for purchasing daily necessities, which was associated with a greater risk of infection, compared to only 11% of households where men undertake the responsibility and 18% where the responsibility was shared equally. Other, more serious household issues have seen rising trends such as gender-based violence. The Call Center for responding to gender-based violence received around 350 calls from women who needed support, a 7-fold increase in the same period in 2019.<sup>19</sup> Female workers require extra support to ensure a fairer distribution of unpaid domestic and care work and protection services as victims of gender-based violence. SIBs are well positioned to strengthen protection for women in both areas as employers, offering women the flexibility needed to balance unpaid domestic work and support their efforts to ensure fairer distribution of such work, and as providers of essential services including health services for women victims of gender based violence.

In terms of women in management, a Grant Thornton report highlights the barriers facing senior female leaders in Viet Nam, with a lack of access to developmental work opportunities (Global 27%; Viet Nam: 40%) and networking opportunities (Global: 26%; Viet Nam: 35%), and caring responsibilities outside of work (Global: 25%; Viet Nam: 39%). Compared to the 36% of women leaders in general business, women account for 48% of senior management within SIBs, thus SIBs play a critically important role in closing the gap between men and women in senior management positions in business.

## **The poor**

A report by the World Bank in July 2020 showed that COVID-19 has driven a surge in income inequality.<sup>20</sup> Many white-collar jobs that can be done remotely from home have continued to receive full pay, while workers in many low-wage jobs have suffered from reduced pay and increases in unemployment. According to the Ministry of Labor, Invalids and Social Affairs (MOLISA), approximately 8 million Vietnamese workers have lost their jobs since the start of COVID-19, and 17 million have seen their working hours or income reduced.

Another report by UNICEF in August 2020 on the impact of COVID-19 on children and families in Viet Nam

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<sup>19</sup> <http://baokiemtoannhanuoc.vn/giao-duc/phong-chong-bao-luc-gia-dinh-can-su-chung-tay-cua-toan-xa-hoi-145010>

<sup>20</sup> World Bank, "WHAT WILL BE THE NEW NORMAL FOR VIETNAM?", (2020). Available at

<http://documents1.worldbank.org/curated/en/101991595365511590/pdf/Taking-Stock-What-will-be-the-New-Normal-for-Vietnam-The-Economic-Impact-of-COVID-19.pdf>



showed that the pandemic has significantly exacerbated the challenges faced by poor and near-poor households.<sup>21</sup> Among the 148 interviewed respondents, 30.4% had to prematurely withdraw money from their savings, and 51.4% had to borrow money from relatives and/or banks to cover living costs. For many households, especially poor and near-poor households, their nutrition level has also been affected.

## **People from ethnic minorities (EMs)**

EM people make up 14.7% of Viet Nam's population, but account for 51.2% of the poor and 90% of the extreme poor.<sup>22</sup> UNDP and UNWomen's rapid study of COVID-19 socio-economic impacts based on interviews with 930 vulnerable households and 935 vulnerable household businesses and MSMEs in 58 (out of 63) provinces across Viet Nam in April and May 2020 found that COVID-19 has resulted in: (i) substantially reduced income (around 70%), and as a result a surge in transient income poverty in vulnerable households, especially among EM households; and (ii) exacerbating the vulnerability of female-headed households of informal workers and EMs.<sup>23</sup>

These figures emphasise the need for the creation and enhancement of sustainability of employment opportunities for EM people, and ensuring they have access to essential services to empower them to lift themselves out of poverty. EM people lack access and have poor quality employment opportunities. Moreover, EM women and girls often face challenges in accessing healthcare services, participating in decision-making processes, and continuing education due to the persisting social norms of the roles of men and women.<sup>24</sup> The combination of a lack of employment opportunities and essential services, including healthcare and education, leads to limited chances for EM to get out of poverty.

## **Persons with disabilities (PWDs)**

According to the Viet Nam National Survey on Persons with Disabilities conducted between 2016 and 2019, 31.7% of PWDs of working age were in the labour force, compared to 82.4% of people without disabilities.<sup>25</sup> This is a significant gap in employment rates between PWDs and people without disabilities. The UNDP and

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<sup>21</sup> UNICEF, "Rapid assessment on the social and economic impacts of COVID-19 on children and families in Viet Nam", (2020). Available at <https://www.unicef.org/vietnam/media/5701/file/Rapid%20assessment%20on%20the%20social%20and%20economic%20impacts%20of%20COVID-19%20on%20children%20and%20families%20in%20Viet%20Nam.pdf>

<sup>22</sup> See <https://www.vn.undp.org/content/vietnam/en/home/presscenter/articles/EMwsSonLa.html>

<sup>23</sup> UNDP and UN Women, 'COVID-19 Socio-economic Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment', (2020). Available at: <https://www.vn.undp.org/content/vietnam/en/home/presscenter/pressreleases/RIM.html>

<sup>24</sup> <https://www.vn.undp.org/content/vietnam/en/home/presscenter/articles/EMwsSonLa.html>

<sup>25</sup> General Statistics Office (GSO), National survey on people with disabilities 2016, Statistical Publishing House, (2018), Available at: [https://www.gso.gov.vn/default\\_en.aspx?tabid=515&idmid=5&ItemID=19055](https://www.gso.gov.vn/default_en.aspx?tabid=515&idmid=5&ItemID=19055)

iSEE report on “Ending Stigma” shows that 66% of 389 PWD respondents had never attended a job interview; of the 34% that had attended at least one job interview, 53% believed that they had been rejected because of their disability.<sup>26</sup> In tackling such challenges for PWDs, SIBs are more inclusive than general businesses; 74% of SIBs employ workers from disadvantaged groups, including PWDs.<sup>27</sup>

Beyond employment, PWDs in Viet Nam face difficulties such as: access to education (only 76% of PWDs are literate, compared to the rate of 95% for people without disabilities); access to health care services (almost 60% of PWDs and 80% of households that include a person with a disability have trouble accessing healthcare services), and exposure to poverty (more than 70% of those with disabilities are financially dependent on their families or on social allowances).<sup>28</sup> As noted above, 30% of surveyed SIBs prioritize improving beneficiaries’ education, and 15% prioritize healthcare, which are two key areas that PWDs face challenges accessing.

COVID-19 has worsened these challenges, thereby exacerbating the vulnerability of PWDs. A rapid assessment of the socio-economic impact of COVID-19 in Viet Nam in general published by UNDP in June 2020 highlighted the considerable negative impacts faced by PWDs from the pandemic.<sup>29</sup> Financially, the overwhelming majority of respondents (96%) expressed concern for their financial security, with 28% of respondents seeing their income decrease in March 2020 with the first wave of COVID-19. The number of PWDs with a monthly income of less than VND 1 million (approximately USD 43) increased by 21% compared to the same period in 2019. In terms of essential services, since many of the PWDs (22% of the survey participants) already have existing diseases, many (40%) are in the elderly group with age over 60 years old and most (70%) have difficulty accessing necessary healthcare services, their risk of health impact by COVID-19 is high. This further stresses the needed role of SIBs in providing employment, income and healthcare services for PWDs to cope with the financial and health challenges posed by this pandemic.

## **LGBTQI+**

The LGBTQI+ population is one of the most marginalized and vulnerable groups in Vietnamese society. Regarding employment conditions, according to iSEE’s report on discrimination based on sexual orientation

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<sup>26</sup> iSEE, ‘Ending Stigma: Assessment from the Perspective of People with Disabilities’ (2018). Available at <http://isee.org.vn/wp-content/uploads/2018/11/ending-stigma-assessment-from-the-perspectives-of-people-with-disabilities.pdf>

<sup>27</sup> CSIE and UNDP, ‘Fostering the growth of the Social Impact Business Sector in Viet Nam’, (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>28</sup> See <https://enablecode.com.vn/2018/09/14/9-facts-about-disability-in-vietnam/>  
[http://www.ilo.org/wcmsp5/groups/public/-ed\\_emp/-ifp\\_skills/documents/publication/wcms\\_112407.pdf](http://www.ilo.org/wcmsp5/groups/public/-ed_emp/-ifp_skills/documents/publication/wcms_112407.pdf)

<sup>29</sup> UNDP, ‘Rapid assessment of the socio-economic impact of COVID-19 on persons with disabilities in Viet Nam’, (2020). Available at: [https://www.vn.undp.org/content/vietnam/en/home/library/democratic\\_governance/ImpactPwDs.html](https://www.vn.undp.org/content/vietnam/en/home/library/democratic_governance/ImpactPwDs.html)

and gender identity in Viet Nam,<sup>30</sup> almost 30% of LGBT people were denied jobs for being LGBT. In the workplace, around 33% to almost 50% of LGBT people also often had to encounter negative comments and behaviours from colleagues.

LGBTQI+ are also among the most at employment risk because of COVID-19.<sup>31</sup> ISEE's 2020 report on impacts of COVID-19 on the needs and lives of LGBTQI+ shows that 75% of the 922 survey respondents reported on their lives and jobs being affected by COVID-19 at different levels.<sup>32</sup> The two areas most impacted were reported as reduction in income (36.5%) and unpaid leave (18.7%).

Accessibility and use of healthcare services for LGBTQI+ is also low, with the percentage of transgender people using healthcare services (58.0%) being lower than other groups (68.5 % for homosexual, bisexual people).<sup>33</sup> One of the main reasons is that they face common discriminatory acts, including verbal insults (21.9 %), receiving unsolicited advice not related to diagnosis and treatment (17.8%), and being subject to excessive curiosity about their individuality (36.0%). The percentage of LGBTQI+ people that have heard or witnessed negative comments and acts from medical staff is 25.3 %. Faced with discrimination in both work environment and health facilities as well as being further stressed by income and job loss because of COVID-19, LGBTQI+ people will be in need of fairer employment opportunities and healthcare services as those offered by SIBs.

Despite the availability of both initial analysis connecting SIBs and vulnerable groups, as well as evidence of the challenges faced by certain vulnerable groups more generally, more data and analysis is required. This can help to understand specifically how SIBs help protect the rights of vulnerable groups, in which areas, and measure this impact, so that we can understand how to support and grow the role of SIBs in this regard. The project aims to collect more data and conduct analysis in the beginning of the project as a baseline study to more deeply understand the SIB sector in Viet Nam, which is a nascent concept and is still evolving.

### **1.3 Challenges of the SIB-supporting organizations (intermediaries)**

In order to promote the development of SIBs, a comprehensive supporting ecosystem is needed, comprising of government agencies, donors, investors, universities, academia, incubators, accelerators, and NGOs. For

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<sup>30</sup> UNDP, "Is it because I am LGBT", (2016). Available at [https://www.vn.undp.org/content/vietnam/en/home/library/democratic\\_governance/is-it-because-i-am-lbgt.html](https://www.vn.undp.org/content/vietnam/en/home/library/democratic_governance/is-it-because-i-am-lbgt.html)

<sup>31</sup> See <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25807&LangID=E>

<sup>32</sup> The Institute for Studies of Society, Economy and Environment (ISEE). "Impact of COVID-19 on the lives and needs of LGBTI+", (2020). Available at [http://isee.org.vn/wp-content/uploads/2020/08/Survey-COVID-19\\_Report.pdf](http://isee.org.vn/wp-content/uploads/2020/08/Survey-COVID-19_Report.pdf)

<sup>33</sup> See [https://www.vn.undp.org/content/vietnam/en/home/library/democratic\\_governance/is-it-because-i-am-lbgt.html](https://www.vn.undp.org/content/vietnam/en/home/library/democratic_governance/is-it-because-i-am-lbgt.html)

the most part, these entities generate knowledge, develop capacity of SIBs, support market assessment and expansion, as well as provide funding and investment for SIBs. While these roles were already important for the sector's development, in the context of COVID-19, the role of SIB intermediaries is even more critical. Highlighting this, in a survey by the British Council, 74% of SEs surveyed said that they have benefited from support from intermediaries.<sup>34</sup> Additionally, a report by CSIP shows that 60% of SIBs believe that supporting organizations can help improve their business and recovery from COVID-19.<sup>35</sup> However, despite the high demand, partners in the ecosystem of SIB intermediaries face many challenges in fulfilling their roles.

Firstly, the SIB ecosystem in Viet Nam, although having grown in the last few years, is still limited in size compared to Middle Income Countries in the region. For comparison, the study from CSIE and UNDP on SIBs and the study from the British Council on SEs collectively identify 11 leading SIB intermediaries and 6 impact investors, while the 2020 report from the Implementing Office for the Project to Support the National Innovative Startup Ecosystem until 2025 (Office 844)<sup>36</sup> under MOST identifies 82 incubators and accelerators for general start-ups and 61 institutional start-up investors actively working in Viet Nam.<sup>37</sup> This highlights the limited number of SIB intermediaries and the critical need to increase. Besides being small in its size, the SIB ecosystem in Viet Nam also lacks an effective mechanism for coordination, to synergize resources and capacities. This leads to suboptimal use of the already limited resources available.<sup>38</sup>

Secondly, COVID-19 has highlighted the need for transforming the way SIBs work - from adopting new or shifting their business models, to using technology and data; and from accessing investment decisions to finding new approaches to deliver social impact- SIB intermediaries also need to adjust to meet the changing needs of SIBs. This puts extra demand on many SIB intermediaries with already constrained capacities. Furthermore, an insight gained from UNDP's preliminary interviews with SIB intermediaries, is that the SIB ecosystem, including SIBs, SIB intermediaries, policymakers and others, is lacking a system to measure impact. An effective system for measuring impact is key for design of targeted and impactful support to SIBs as well as attracting investors for SIBs (for further detail, please refer to the Annex). The task of designing such a system falls on SIB intermediaries.

Finally, many SIB intermediaries lack funding and sustainable financial models to deliver their work. Most intermediaries who support SIBs are not-for-profit organizations (8 out of the leading 11 SIB intermediaries), depending mostly on grant funding from donors. According to the preliminary interviews with SIB

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<sup>34</sup> British Council, CIEM, UNESCAP, 'Social Enterprise in Vietnam', (2019). Available at: <https://www.unescap.org/sites/default/files/social-enterprise-in-vietnam.pdf>

<sup>35</sup> CSIP, 'Report on impact of COVID-19 to the Social Impact Businesses', (2020)

<sup>36</sup> The National project to support the innovative start-up ecosystem of Viet Nam until 2025 - issued by the Prime Minister via Decision 844/QD-TTg in 2016. Available at: <https://thuvienphapluat.vn/van-ban/van-hoa-xa-hoi/Decision-844-QD-TTg-approval-assistance-policies-national-innovative-startup-ecosystem-2025-314464.aspx>

<sup>37</sup> MOST, Office 844, (2020) Report "Regarding the draft Decision amending and supplementing a number of articles of Decision No. 844 / QD-TTg approving the project "Supporting the national innovative start-up ecosystem to 2025" (document not widely released, only sent to stakeholders for consultation)

<sup>38</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

intermediaries for the design of this project, they regularly lack funding and find it hard to attract capable and committed human resources. As a result, the quality and consistency of the support they can offer SIBs is limited.

#### 1.4 Challenges in policy to support SIBs in Viet Nam

Viet Nam is one of the few countries in the world with legal recognition for SEs, first introduced under Article 10 of Law on Enterprises 2014.<sup>39</sup> In accordance with this provision, SEs have to meet three conditions: (i) Register as an enterprise under Law on Enterprises 2014; (ii) Have clear social and environmental objectives; (iii) Commit to reinvesting at least 51% of profits towards registered social and environmental objectives.

Decree 96/2015/NĐ-CP<sup>40</sup> on Detailing a number of articles of the Law on Enterprises 2014, provides the following policies to encourage the development of this sector: (i) The government is to encourage and assist organizations and individuals to set up SEs with the purpose of solving social and environmental problems for the benefit of the community; (ii) SEs are entitled to preferential and investment support in accordance with the law; (iii) SEs can receive foreign aid to achieve the objectives of solving social and environmental issues in accordance with the Law on the Reception of Foreign Non-governmental Aid.<sup>40</sup>

Despite the legal recognition of SEs, the full implementation of the law and related guiding documents have faced several challenges. From the side of the government, there have been limited efforts to develop further specific supporting policies and guiding documents to effectively incentivize businesses to register as SEs and foster the growth of the SE sector. From the side of SIBs, the policy benefits are not clear while the requirements are too hard to meet.<sup>41</sup> This makes it much less attractive for socially oriented businesses to register as SEs. Therefore, to date, the impact of SE policy has been relatively minimal.<sup>42</sup> Both the reports by CSIE and UNDP in 2018 on the SIB sector<sup>43</sup> and by British Council et al. in 2019 on Social Enterprise,<sup>44</sup> concluded that many socially oriented businesses are not registered as SEs. To compare with a similar policy on start-up development (i.e. the Project to Support the National Innovative Start-up Ecosystem until 2025 - Project 844), from 2016 until now, 53 cities/provinces have issued independent plans to implement the

<sup>39</sup> Vietnamese Government, Law on Enterprises 2014. Available at <https://thuvienphapluat.vn/van-ban/doanh-nghiep/Luat-Doanh-nghiep-2014-259730.aspx>

<sup>40</sup> Vietnamese Government, Decree 96/2015/NĐ-CP<sup>40</sup> on Detailing a number of articles of the Law on Enterprises, Available at: <https://thuvienphapluat.vn/van-ban/doanh-nghiep/Nghi-dinh-96-2015-ND-CP-Quy-dinh-chi-tiet-mot-so-dieu-cua-luat-doanh-nghiep-293418.aspx>

<sup>41</sup> From UNDP's interviews with around 20 intermediaries and SIBs

<sup>42</sup> British Council, CIEM, UNESCAP, 'Social Enterprise in Vietnam', (2019). Available at: <https://www.unescap.org/sites/default/files/social-enterprise-in-vietnam.pdf>

<sup>43</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at: <https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>44</sup> British Council, CIEM and UNESCAP, 'Social Enterprise in Vietnam', (2019). Available at: <https://www.unescap.org/sites/default/files/social-enterprise-in-vietnam.pdf>

Project 844 at the local level, while effectively none has had similar plans for SE development.

Regarding cooperatives, which are traditionally key actors in the SIB sector, the Law on Cooperatives has been in effect in Viet Nam since 2012, and the supporting policies for cooperatives are specified under Decree 193/2013/ND-CP on detailing a number of articles of the Law on Cooperatives,<sup>45</sup> including: (i) subsidize formal training, technical training (subsidize 100% expenses for human resources training in cooperatives); (ii) promote trade and market expansion; (iii) apply new scientific approaches, methodologies, and technologies; (iv) access to capital and funds for the development of cooperatives; and, (v) prioritize participation in targeted programs, and socio-economic development programs. Cooperatives engaging in production and/or business activities in the encouraged fields shall be exempt from output Value-Added Tax (VAT) but still entitled to input VAT credit, as well as Corporate Income Tax (CIT) exemption or reduction for several years after its establishment.

Regarding SIBs supporting specific vulnerable groups, Article 34 of the Law on Persons with Disabilities provides support for businesses which employ at least 30% PWDs of their entire workforce, including the improvement of working conditions and facilities, exemption from the enterprise's income tax, the ability to borrow loans with preferential interest rates, exemption from rents of land, reduced ground and water leasing rates, and reduction of leasing prices in general for businesses.<sup>46</sup> However, this high threshold, at 30%, is not appropriate for small, medium-sized and family-owned businesses. Hence, the ambitious targets and incentives set by government policy to encourage businesses to employ PWDs have not been effective. Besides the laws and policies outlined above, other types of SIBs including for example impact start-ups have few policies or incentives dedicated to them.

The government's understanding of the SIB sector is also at an early stage. As a head and founder of Impact Village at [TechFest](#), the biggest and largest annual event for start-ups in Viet Nam, since 2017, UNDP has hosted National Dialogues and several sub-national dialogues at municipal and provincial levels on supporting SIBs and start-ups, which collected the experiences and inputs from government representatives, investors, SIBs, social entrepreneurs, and intermediaries, to identify best approaches to support the SIB sector in Viet Nam. From these dialogues, it has become evident that awareness levels on the SIB sector among key government agencies remain low, including what is required to grow the SIB sector, such as investment requirements. UNDP's preliminary interviews under this project with government representatives again confirms the low levels of awareness and the need to overcome this challenge.

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<sup>45</sup> Decree 193/2013/ND-CP on detailing a number of articles of the Law on Cooperatives. Available at: <https://thuvienphapluat.vn/van-ban/doanh-nghiep/Nghi-dinh-193-2013-ND-CP-huong-dan-Luat-hop-tac-xa-216089.aspx>

<sup>46</sup> Law on Person with Disabilities, Law No. 51/2010/QH12, dated 17 June 2010. Available at <https://thuvienphapluat.vn/van-ban/van-hoa-xa-hoi/Law-No-51-2010-QH12-on-persons-with-disabilities-114751.aspx>

Further to the above-mentioned difficulties, COVID-19 has posed a great challenge for the government to swiftly address the health, macroeconomic, and social effects of the pandemic. The Government has recognized the disproportional negative impacts on the poor and near-poor, as well as vulnerable workers, and has targeted such vulnerable groups with its social protection package under Resolution No. 42<sup>47</sup>. This presents an important vehicle to support workers and households affected by the pandemic.

Nonetheless, according to both the CSIE's and CSIP's recent reports, many interviewed SIBs reported that they and many of their beneficiaries have not been able to access support.<sup>48</sup> Besides the complex guidelines and cumbersome procedure that make it difficult for many vulnerable people to access government's support packages,<sup>49</sup> this suggests that among all of the government's COVID-response initiatives (both for general businesses and for vulnerable groups), none make specific provisions for SIBs. This indicates that the government does not yet fully understand the role of SIBs and different SIB ecosystem stakeholders in alleviating challenges faced by vulnerable groups.

## II. Strategy

The underpinning objective of this project is to increase the resilience of COVID-19 vulnerable groups, especially women, the poor, people from EMs, PWDs and LGBTQI+ in Viet Nam. As a result of the COVID-19 pandemic, many Vietnamese industries and businesses have been affected, with disproportionate impacts on those servicing and operated by women and vulnerable groups. The project seeks to support SIBs as the main agent in alleviating the impact of COVID-19 on these vulnerable groups, while developing the SIB ecosystem for sustained growth of the sector.

The sectors of focus for the proposed project will be **sustainable agriculture, sustainable tourism, education, and healthcare**. As mentioned in part 1, these are some of the sectors most affected by COVID-19 and make up a major proportion of the number of SIBs in the country. Therefore, the prioritization of these sectors under this project is likely to address the most significant challenges posed by COVID-19 on growing the SIB sector as well as having the greatest positive impact on vulnerable groups.

Focus on these sectors will also help address gender inequality and support the empowerment of women. In particular, female workers dominate the agriculture and tourism sectors.<sup>50</sup> By supporting the survival and

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<sup>47</sup> See <https://www.vietnam-briefing.com/news/covid-19-vietnam-issues-financial-assistance-employers-employees.html/>

<sup>48</sup> CSIP, 'Report on impact of COVID-19 to the Social Impact Businesses', (2020).

CSIE, Impact of Covid-19 outbreak on Social Enterprise sector in Viet Nam and recommended support (2020). Available at: <http://csie.neu.edu.vn/published-reports/>

<sup>49</sup> UNDP and UNWomen, 'COVID-19 Socio-economic Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment', (2020). Available at: <https://www.vn.undp.org/content/vietnam/en/home/presscenter/pressreleases/RIM.html>

<sup>50</sup> UNDP and UNWomen, 'COVID-19 Socio-economic Impact on Vulnerable Households and Enterprises in Viet Nam: A Gender-sensitive Assessment', (2020). Available at: <https://www.vn.undp.org/content/vietnam/en/home/presscenter/pressreleases/RIM.html>

growth of SIBs in these sectors, the project will help sustain jobs and livelihood of female workers. In the education sector, many SIBs provide educational and vocational training services to women and girls, especially in remote areas. COVID-19 has disrupted many vulnerable people's access to education, especially for those that lack technology infrastructure required for learning online. Hence, focusing on this sector can help alleviate some of these challenges faced by vulnerable people, especially women and girls. In the healthcare sector, many aspects are related to women's health, such as reproductive health and mental health. As COVID-19 and work-from-home measures have been shown to deteriorate people's mental health and increase rates of domestic violence against women,<sup>51</sup> focusing on this sector will help improve healthcare services for women.

In terms of poverty reduction, besides providing vulnerable groups with jobs and income, many SIBs also provide essential services in the above-mentioned areas, helping reduce poverty rates, such as through education for young girls and women, including on health, training in agricultural technology for women farmers, and essential health tools for PWDs to be able to join the workforce.

Moreover, among the above-mentioned sectors, focusing on sustainable agriculture and sustainable tourism will directly help address many climate change and environmental issues such as plastic waste pollution. For example, many SIBs, especially in the form of cooperatives, support farmers with more climate-resilient and sustainable farming practices. At the same time, many emerging SIB models such as eco-tourism or zero-plastic-waste tourism that have recently emerged in Viet Nam will have potential to scale and strengthen their impacts with the support of this project.

Besides the four main industries, information and communication technology (ICT) is considered a cross-cutting sector whereby many SIBs can utilize ICT to improve their business as well as living standards and provide jobs to vulnerable groups, especially in the area of enhancing digital employability prospects for PWDs. With ICT, PWDs can work from home, avoiding issues with restrictions to movements and distancing requirements that have prevented typical on-site work. During the time of COVID-19, or similar shocks in the future, where working from home is a requirement, PWDs with ICT skills will have a greater chance and level of resilience to cope with changes.

An **innovative aspect** of this project, unlike previous activities to support SIBs, which mostly targeted specific needs of SIBs (e.g., changing mindset, building business management capacity, business matching etc.) and were developed independently by different organizations, is that it will adopt an ecosystem approach **to enhance the SIB ecosystem**. More specifically, the project aims to: (i) build a strong engagement from main actors in the SIB ecosystem including SIBs, intermediaries and policy makers through timely access to

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<sup>51</sup> <https://voxeu.org/article/covid-19-mental-health-and-domestic-violence>



information related to SIB needs (ii) support the sustainable and market driven development of intermediaries which support SIBs (iii) support SIBs themselves to address their main challenges and their current needs in dealing with the impacts of COVID-19. This approach seeks to build greater capacity and sustainability in the SIB ecosystem, not only benefiting SIBs participating in the project activities (i.e. capacity building, incubation/acceleration and grant provision), but others also, by receiving higher-quality services from the SIB intermediaries that the project supports as well as from the media aspects (where the project seeks to raise profile of SIBs and SIBs' products and services through media campaigns).

Another innovative aspect of the project is its **experimentation approach** on policy advocacy. The project will address policies towards SIBs in two ways: (i) through national-level policy advocacy; and (ii) through provincial-level policy experimentation. The project will explore ways in which national policy can be both designed centrally and implemented more effectively at the provincial level, and how lessons learned from experimentation at the provincial level can subsequently be fed back into central policy making processes and scaled up nationwide. By testing different approaches to implementing policy at the provincial level, assessing the impact of such experimentations and establishing rapid feedback loops to the central policy making entities, the project will help identifying the most effective approaches for scaling up and facilitate the development of an ecosystem by integrating the learning and recommendations of the different stakeholders including SIBs, SIB intermediaries and the vulnerable beneficiaries of SIBs themselves. UNDP as a long-term trusted partner of the government is well placed to promote such accelerated experimentation and innovation with partners both at the national and provincial level.

The project is designed based on participatory processes as it has gone through a number of consultations with experts in the SIB sector and through peer-to-peer discussions with other UNDP Country Offices in the region working on the issues related to SIB development and inclusive growth. Such consultation meetings will be continued during the project implementation to help not only intermediaries but also policy makers to be timely updated on the challenges SIB face to enhance their capability to meet SIB requirements. With the facilitation of UNDP Accelerator Lab, systemic design methods, such as [customer personas](#), [problem trees](#), and [ecosystem mapping](#), were used to bring forth the collective intelligence of stakeholders. This helped to understand the deep-rooted problems and needs of SIBs, as well as brainstorming potential solutions which could be experimented for SIB development. Around 20 interviews with different stakeholders in the SIB ecosystem were carried out, including with incubators/accelerators (i.e., Viet Nam Silicon Valley Accelerator, CSIE, KisStartup, Song Han Incubator), NGOs/NPOs (i.e., CSIP, Oxfam, WISE, Seed Planter), development agencies (i.e., USAID, ADB, British Council), funding organizations (i.e., Thrive, BSSC, Patamar), angel investors (i.e., Ms. Tu Ngo, a serial founder and investor in ed-tech start-ups, and Ms. Phi Van, a Board Advisor of Viet Nam Angel Network), and government officials (the National Agency for Technology Entrepreneurship and Commercialization Development (NATEC) under MOST, the Agency for

Enterprise Development (AED) under MPI, and Saigon Innovation Hub (SIHUB) under the Department of Science and Technology of Ho Chi Minh City). Most of the leaders of these organizations and projects who were interviewed are women and provided their in-depth thinking and reflections on supporting women-led SIBs. Interviews were also conducted with Canadian development agencies and impact ecosystem stakeholders, such as [Convergence](#), [Socodevi](#) and [SVX - Invest for Impact](#).

## 2.1. Leveraging from existing projects and Country Office’s expertise

This proposed project leverages UNDP’s existing work towards supporting SIBs, such as [Youth Co:Lab](#) (supporting youth entrepreneurship in the ideation stage), [SDG Challenge](#) (supporting entrepreneurship projects targeting certain SDGs in their scale-up phase), [Blue Swallow Awards](#) (co-organized by Viet Nam Chamber of Commerce and Industry (VCCI), the Union of Science and Technology Associations (VUSTA), UNDP and CSIP, recognizing and promoting business initiatives for social changes), the [“Economic empowerment of Ethnic Minority Women via application of IR4.0”](#) initiative (building capacity and supporting EM women entrepreneurs in the use of IR 4.0 tools for marketing and commercial solutions), [Impact Aim](#) (helping local start-ups to scale and accelerate their impacts towards the SDGs), [Ending Plastic Pollution Innovation Challenge](#) (helping to incubate and scale innovative solutions across ASEAN focussed on the challenge of tackling plastic pollution), and the [Climate Business Index](#) (providing a framework for businesses to assess their climate impacts and promote better sustainable practices).

These projects already target support for vulnerable groups, including many supporting female entrepreneurs, to help enhance their livelihood via innovative solutions. This project can utilize considerable knowledge and understanding of SIBs through these existing initiatives, analysis and effective approach, including understanding current challenges for SIBs in dealing with the impacts of COVID-19 (e.g., ongoing research within Youth Co:Lab is focusing specifically on this issue in 2020).<sup>52</sup>The database of SIBs built over the years through these and past activities, across multiple provinces of Viet Nam and in different sectors will be helpful when calling for SIB participation in this project.

The project can also leverage existing joint activities and relationships with various stakeholders to help build the network of SIB-supporting intermediaries, especially with key government agencies mentioned above. Furthermore, different frameworks for SIB incubation through the Impact Aim which have been carefully developed and tested will be useful for the SIB-capacity-building activities in this project (i.e., in general capacity building, 1-on-1 coaching, and SIB incubation and acceleration programs).

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<sup>52</sup> UNDP, Research on assessment and projection of resilience and adaptation of youth for entrepreneurship and impact business development, expecting result by end of 2020

Within UNDP, the project can leverage expertise among all thematic units in the UNDP Viet Nam Country Office – the Governance and Participation, Inclusive Growth, Climate Change and Environment units and the Accelerator Lab. The Accelerator Lab<sup>53</sup> will help the project with different social innovation methodologies, gathering feedback and ideas from different stakeholders in the SIB ecosystem and presenting them in a structured and systematic way so that they can be effectively fed into policy design and implementation.

In comparison to traditional programming, this project seeks to be more agile in experimenting and adapting to the pace of change. The Accelerator Lab will support the experimentation process and contribute to the training, design thinking, collective intelligence, and related activities for SIBs, SIB intermediaries, and government.

## 2.2. Gender analysis and approach

According to the Ministry of Labor, War Invalids and Social Affairs (MOLISA), despite many important achievements, Vietnam still faces many challenges in gender equality, with low levels of women in management and leadership, on average lower female labourers' income than that of men<sup>54</sup>; and higher vulnerability faced by women than men when businesses cut their workforce.<sup>55</sup>

While the national employment rate of women sits higher than the global average (72% vs. 49%), the spread of female-led businesses remains concentrated, with 98% being small to medium, and in low-profit areas. Moreover, female business owners are limited in qualifications, business management skills, and have difficulties in access to official credit compared to their male counterparts.<sup>56</sup> Female entrepreneurs also face unique challenges in addition to the same pressure for economic performance as male ones. Some of these pressures include (i) imbalance in work and family life, due to the typical household gender roles for women; and (ii) social prejudice around women entrepreneurs.

In seeking to address some of the issues around women-led enterprises, the draft Gender Equality Strategy for the period from 2021 to 2030 (Objective 3) regulates clear targets on increasing women-owned enterprises in quantity and quality. Recently, a by-law document to provide guidelines for the 2017 Law on supporting SMEs - Circular No 05/2019/TT/BKHDT - outlined incentives for training courses for women-owned SMEs.<sup>57</sup> Nevertheless, with the legal regulations around SIBs being limited and not yet well formed,

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<sup>53</sup> Part of the UNDP's global network of Accelerator Labs, the world's largest and fastest learning network on sustainable development challenges. Available at: <https://acceleratorlabs.undp.org/>

<sup>54</sup> The Annual Report on the Labor Force Survey by the General Statistics Office (Ministry of Planning and Investment - MPI) shows that the gender-wage gap in Vietnam is widening, with the average salary of female workers being only at 88% of that of male workers.

<sup>55</sup> <http://www.molisa.gov.vn/Pages/tintuc/chitiet.aspx?tintuclD=218085>

<sup>56</sup> <http://www.molisa.gov.vn/Pages/tintuc/chitiet.aspx?tintuclD=218085>

<sup>57</sup> See <https://www.vietnam-briefing.com/news/government-incentives-smes-vietnam-2-new-circulars.html/>

a SIB-specific policy that addresses gender is still to be realized. The current lack of policy attention in this remains a missed opportunity to target empowerment of women and other gender issues, considering the levels of female leadership, employment, services and issues SIBs aim to address related to women and girls. Thus, policy analysis to identify gaps in the economic empowerment of women is necessary for a more supportive policy framework at a time when COVID-19 aggravates the challenges faced by women entrepreneurs.

As mentioned in Part 1.2 on *challenges by vulnerable and marginalized groups*, SIBs can provide decent employment opportunities for women, creates livelihoods for women workforce among the SIB's value chain, as well as services and products to serve women and address issues of gender equality. According to a British Council report, a main objective of at least 42% of SEs surveyed is to support vulnerable groups, with 20% of them supporting women and girls/gender equality. Both the percentage of women-led businesses and percentage of women in senior management positions are higher for SIBs than for businesses in general (41% and 48% for SIBs<sup>58</sup> vs. 24%<sup>59</sup> and 36%<sup>60</sup> for general businesses, respectively). By supporting the SIB sector, the project also promotes women's participation in business, in particular in leadership roles, as by their very structure SIBs promote women's economic empowerment.

The project will prioritize supporting SIBs and intermediaries led by women, so they can easily access support from the network of intermediaries, such as mentoring programs and grants. In all capacity building activities, the project will ensure equal representation of women. The capacity building activities will also include topics on specific needs of women, i.e. regarding promoting a safe work environment for women and equipping them with knowledge and skills to achieve work-life balance. There will also be a specialized group within the network that targets SIB intermediaries with a gender focus. The project's knowledge outputs will include research reports, capacity building materials, videos, etc. and will address gender-responsive aspects, and will be published publicly so that the wider community of SIB ecosystem stakeholders and different vulnerable groups can also benefit from them.

The project also aims to strengthen the SIB policy making capacity of the government, to be gender-responsive, inclusive, and transparent. The project will collaborate closely with national and local authorities, intermediaries focused on women empowerment (such as the Women Union, Business Women Association, Women's Initiative for Start-ups and Entrepreneurship, or WISE, and local women-led SIBs) to ensure the voice and needs of women will be heard and reflected in policies supporting SIBs.

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<sup>58</sup> CSIE and UNDP, 'Fostering the growth of the Social Impact Business Sector in Viet Nam', (2018). Available at:

<https://www.vn.undp.org/content/vietnam/en/home/library/SIB.html>

<sup>59</sup> See <https://en.nhandan.org.vn/business/item/8243302-vietnamese-women-increase-their-power-in-business-report.html>

<sup>60</sup> Grant Thornton, 'Viet Nam is ranked the second most women in senior management among Asian countries', dated 7 March 2019. Available at:

<https://www.granthornton.com.vn/press/press-release-2019/women-in-business/>

As a project funded by the Government of Canada, the project will follow guidelines of Canada's Feminist International Assistance Policy (FIAP). The implementation of the project will be guided by the UNDP Gender taskforce, who can advise on strengthening gender equality under the project. The taskforce will provide technical support on the design and implementation of the project. Furthermore as the chair of the UN Governance and Justice Result Group, and an active member of the One UN Gender Thematic Group, we will ensure that the project follows the UN system-wide Action Plan on Gender Equality and the Empowerment of Women, including by adopting the gender markers system to monitor the impact of the project on gender equality and women's empowerment. Moreover, an in-depth analysis on gender aspects of SIBs (e.g. number of women-led SIBs and number of women in the SIB workforce, women with disabilities, ethnic minority women, etc.) will be carried out as a baseline study in the beginning of the project in 2021 to better design detailed activities and set targets to promote women's empowerment in the project.

### **2.3. Human Rights analysis and approach**

SIBs are businesses that can potentially combat all kinds of human rights issues, depending on their focus. By supporting SIBs, this project will improve people's standards of living, including adequate food, clothing, and housing, and to the continuous improvement of living conditions, especially in coping with the impacts of COVID-19. In particular, by promoting the growth of the SIB sector (in both quantity and quality) and focusing on those led by women and vulnerable groups, the project advances job opportunities for more people. In the case of vulnerable groups, when their income is improved, they have greater access to food, clothing, housing, and achieve better living conditions in general. Moreover, SIBs often provide good job opportunities that are safe and secured for vulnerable people, in many cases positions tailored specifically to vulnerable groups, including for PWDs and LGBTQI+, which helps to improve their human dignity and ensure the protection, promotion and fulfilment of their rights.

Moreover, as mentioned in Section 1.1 above, SIBs face many challenges brought on or exacerbated by the COVID-19, including the barriers to providing goods and services to vulnerable people. This project aims to improve the resilience of SIBs in this regard, supporting their capacity to continue to deliver essential services to vulnerable groups, which in turn contributes to the improvement of living standards for such groups. Such services being focused on in this project include sustainable agriculture, sustainable tourism, healthcare, and education SIB sectors, thus this project will likely contribute to improving food safety, food security, healthcare, and educational quality for vulnerable groups. The main Articles under international human rights law being advanced under this project include Article 6, on the right to work, Article 11, on ensuring an adequate standard of living, including the right to a safe environment, Article 12, on the right to health, and Article 13, on the right to education, under the [International Covenant on Economic, Social and Cultural](#)

[Rights \(ICESCR\)](#). The principles of equality and inclusivity will underpin activities under this project.

The intended beneficiaries of this project include but are not exclusive to, women, the poor, people from EMs, PWDs and LGBTQI+. As mentioned in Section 1.2, these are some of the groups most affected by COVID-19 impacts, and as mentioned in Section 2.1, UNDP has experience and expertise in supporting SIBs targeting these vulnerable groups, which will be leveraged in implementing this project. Throughout the project, SIBs, SIB intermediaries and policymakers will participate in capacity building sessions to help them understand more about the rights and needs of these vulnerable groups, especially of women. UNDP already has tools for human rights due diligence and impact assessment for SIBs and other stakeholders to use. Sibs' capacity to engage and ensure participation of affected groups will be focused on as well as the capacity of affected groups to advocate for change and lobby businesses. The aim is that businesses can incorporate better practices to create a safe and nurturing equal working environment for vulnerable groups while policymakers can make policy more inclusive to support SIBs in delivering goods and services to them.

In order to ensure the principles of participation, inclusivity, and transparency are observed, the project has been designed based on consultation with different beneficiary groups. This has been done through in-person surveys in studies, such as the [Rapid Assessment of the Socio-economic impact of COVID-19 on persons with disabilities in Viet Nam](#), the [COVID-19 Socio-economic Impact on Vulnerable Households and Enterprises: a gender-sensitive assessment](#), and [PAPI](#), which asks people about issues in public services, such as bribery for access. In addition, one of the main outputs of this project is to create a sustainable network of SIB intermediaries, who can represent their voices in dialogues with the government to promote SIB ecosystem development. This will also help with increasing participation, inclusivity, transparency, and accountability of the project. Such participation is critical for ensuring human rights-based approach to the design and implementation of the project.

The human-centred design (an approach that the UNDP Accelerator Lab focuses on and other human rights promotion knowledge) and methodologies that UNDP has expertise in, will be applied in this project's capacity building sessions, conferences, and activities to make sure that SIBs, SIB intermediaries, and the government improve their human rights capacities. UNDP has long-term expertise in Human Rights as it is supporting the Government of Viet Nam in universal periodic reviews of Viet Nam's implementation of human-rights related treaties. of the project to ensure a rights-based approach is observed. Besides this, the project will be aligned with the principles and practices under the UN Human Rights Thematic Group for which UNDP is the technical lead and provides another avenue to seek advice.

## **2.4. Environmental analysis and approach**

The project will generate environmental benefits through via three means: (i) funding, supporting and scaling-up SIBs that focus on addressing environmental protection and climate change challenges; (ii) building capacities for SIBs on improved waste management practices and environmental protection; and (iii) minimizing greenhouse gas (GHG) emissions and waste generation through the delivery of the project activities.

*(i) Fund, support and scale-up SIBs that directly focus on addressing environment and climate change challenges*

SIBs whose core businesses relate to climate change and environment would be prioritized for the project interventions and are likely to mainly be from the agriculture and tourism sectors. The agricultural sector is both a driver of GHG emissions and extremely vulnerable to the impacts of climate change. In its revised National determined contributions (NDC) submitted in 2020, Viet Nam has laid out a series of measures to minimize damages caused by climate change in the tourism sectors, recognizing that it will directly impact tourism resources, infrastructure and activities. To enhance awareness and contribute to greater climate-preparedness, the project will collect best practices and disseminate these to the other selected SIBs.

*(ii) Building capacities for SIBs on improved waste management practices and environmental protection*

In order to raise awareness and encourage the adoption of environmentally friendly practices in SIBs, environment issues will be well integrated into the project activities whenever possible. The project will promote the principles of the circular economy that aim at designing out waste, keeping materials in use, and regenerating natural systems. Therefore, the project will train businesses on re-design, reuse, recycling practices. For example, many SIBs operate in the areas of handicrafts products, which generally use an abundance of raw materials (e.g. cotton, timber, etc.). These categories of business will learn about design principles promoting the reuse or recycle of all materials.

For SIBs operating in the tourism sector, the project can help reduce the use of single-use plastic, as well as promote responsible construction principles, especially in provinces prone to natural disasters. It is clear that the tourism sector has been hit hard by the pandemic and a lot of micro and small enterprises operating in the sector have closed their operations. Nevertheless, the demand of Vietnamese citizens for green products and services is growing, especially among young consumers, and the tourism market is adapting to these expectations. UNDP will promote the use of low-cost and low-carbon alternative materials and products that respond to this growing demand. For SIBs in the agricultural area, the project will promote climate smart agriculture practices that reduce the use of pesticides and fertilizers, use agro-ecology principles, while striving for increased productivity.

Furthermore, the project will support SIBs with better understanding to improve their workplace. For example, for SIBs that require their employees to work in the areas with pollution risks (e.g., with fine dust emitted from machinery), the project can help increase their understanding of potential impacts and best practices to help protect employees' health and better match environmental and health standards.

The project will leverage the knowledge accumulated under UNDP's existing projects in the area of environmental sustainability and climate change. For instance, the "[Enhancing adaptation planning for agricultural resilience in Viet Nam](#)" project, focuses on helping farmers and agricultural businesses adopt sustainable practices, while the "[Ending Plastic Pollution Innovation Challenge \(EPPIC\)](#)" project, in select and supports innovative solutions to reduce plastic waste in Quang Ninh province. Moreover, the project can benefit from the Impact Measurement and Management (IMM) framework collaboratively developed by UNDP Viet Nam for the EPPIC's incubation program, focusing on the environment, climate change in general, and reduction of plastic pollution.

*(iii) Minimise GHG emissions and waste generation through the delivery of the project activities.*

In terms of operation, the project intends to minimize environmental impacts and GHG emissions by implementing a set of best practices. It will reduce the need to travel (by having more SIB-support network at regional meetings in the North, South, and Central of the country, rather than national meetings), promote low-carbon model of transportation when necessary, minimize waste by eliminating printing materials (as the project promotes the adoption of digitalization to cope with COVID-19 impacts, many capacity building activities will take place online) and banning the use of single-use plastic.

Finally, the project will also undergo the [UNDP quality assurance assessment for social and environmental impacts](#), ensuring that environmental risks and mitigation measures are accounted for. Similar to all UNDP's programmes, this project shall adhere to the objectives and requirements of the Social and Environmental Standards (SES). The SES objectives are to: (a) strengthen the social and environmental outcomes of programmes and projects; (b) avoid adverse impacts to people and the environment; (c) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (d) strengthen UNDP and partner capacities for managing social and environmental risks; and (e) ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people. The project will also ensure that all capacity building activities will integrate environmental and climate change aspects.

## **2.5 Theory of Change**



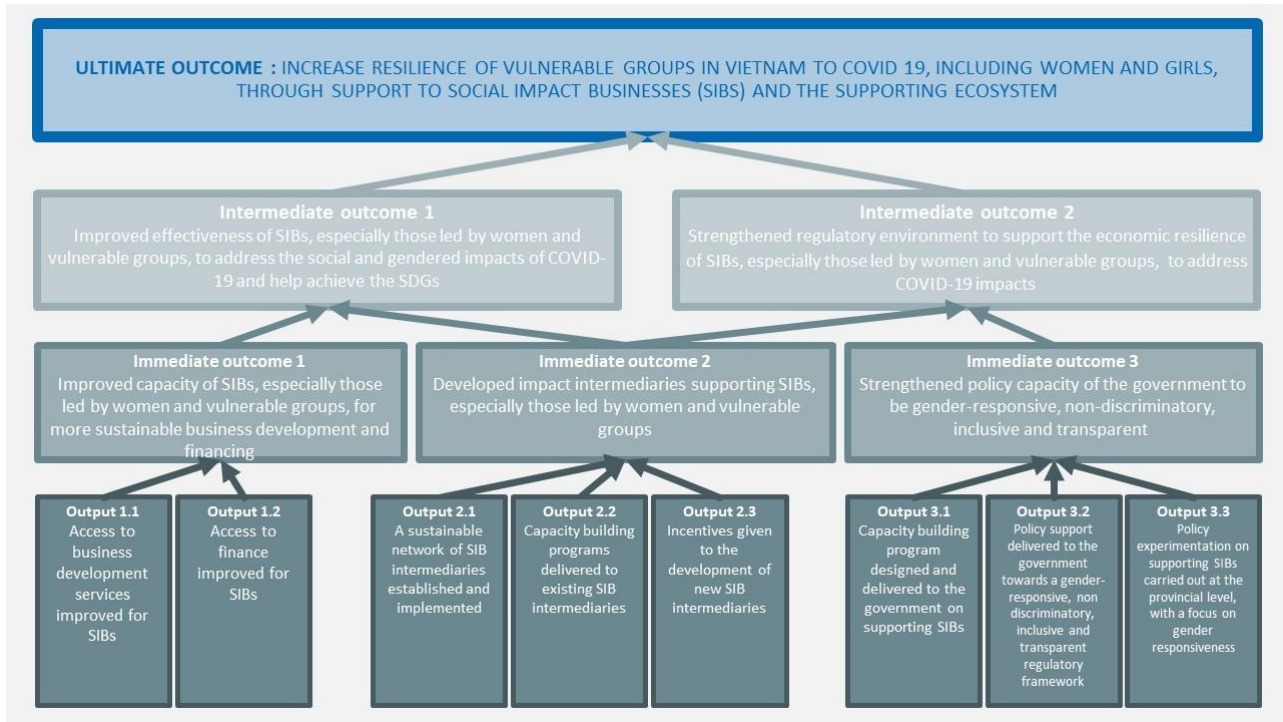


Figure 1: Theory of Change

## How intermediate outcomes contribute to ultimate outcomes

SIBs are businesses that work towards improving the wellbeing and livelihood of society, especially vulnerable groups, including women and girls, and the protection of the environment. Given their critical role, when the effectiveness of those SIBs is improved (i.e., their business performance together with their stated social and environmental aims), the social and gendered impacts of COVID-19 can be addressed, which in turn improves the resilience of vulnerable groups, including women and girls.

This is timely, as recently there has been rare acknowledgement of SIBs in Vietnam's business regulatory framework. With recognition and the provision of benefits under the regulatory framework, especially in the COVID-19 context, their economic resilience stands a greater chance of increasing. As many SIBs face the risk of bankruptcy and business closure, financial and policy support will assist in the prevention of risks, and in turn, will save thousands of vulnerable people from losing jobs and benefits, and increase their economic and social resilience. Gender-responsive, inclusive, and transparent regulatory environment will facilitate greater outreach to the most vulnerable groups, including women and girls. Another assumption is that when policy design is well-thought-out, evidence-based, and is implementable, SIBs will be able to enjoy the support they need to achieve their stated social and environmental aims.

## How immediate outcomes contribute to intermediate outcomes

In order to support SIBs to be effective in addressing the social and gendered impacts of COVID-19, both SIBs' capacity and that of intermediaries supporting them have to be improved. When the linkages among and between SIB intermediaries are strengthened, they maximize synergies, speak collectively as a network thus strengthening their advocacy capacity to demand that the government create a more gender-responsive, inclusive, and transparent regulatory framework for SIBs. Besides the external pressure, the government must also work to improve its policymaking capacity to achieve such a regulatory framework. Government officials whose awareness of SIBs and capacity in policymaking for SIBs is improved will become pioneers in promoting a better regulatory environment that supports SIB development and resilience.

### **How outputs contribute to immediate outcomes**

SIBs need a combination of business development capacity, impact delivery capacity, and financial resources to be able to innovate and deliver new business models to respond to the impacts of COVID-19. Complementary to this, a network of SIB intermediaries needs to be established to strengthen the linkages among them. There is currently no such a formal network. Moreover, to tackle the lack of both quality of and coordination between SIB intermediaries, capacity building programs for existing intermediaries will not be enough. Incentives need to be developed to attract and encourage the development of new/additional intermediaries and to strengthen and complement the existing ones.

To improve the policy making capacity of the government, and support more inclusivity and transparency, a participatory planning program is needed, which includes capacity building, analysis, and consultation with SIBs and SIB ecosystem stakeholders. In addition, once government officials have improved their understanding of SIBs, they also need hands-on advice and support to build and implement specific policies to support SIBs. Policymakers in Viet Nam are considerably risk-averse and are not likely to commit to building new policies if they are not familiar with it or are not sure if it will deliver measurable results. Hence, having policy experimentation at the provincial level will provide policymakers with the evidence of what works and what does not, to get feedback from the experience of actual implementation of policies and identify what needs to be discontinued or scaled-up. This will help policymakers enhance their capacity to create practical and effective policies to support SIBs and the wider ecosystem.

These theory of change assumptions will be tested through the detailed indicators for success in Part 4. *Result Framework*. Key risks and strategies to mitigate will be addressed in Part 3.3. Risks and Assumptions.

### III. RESULTS AND PARTNERSHIPS

#### 3.1 Expected Results : Immediate outcomes, outputs, and activities

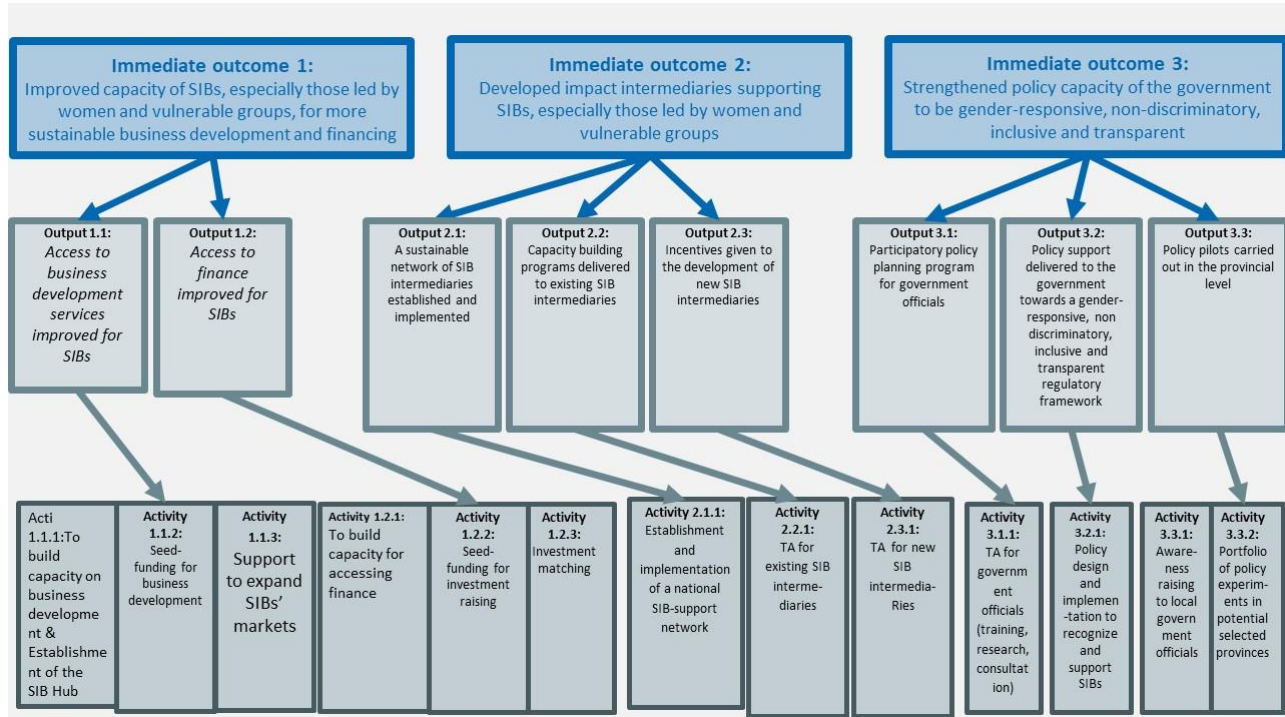


Figure 2: Immediate Outcomes, Outputs, Activities

The project aims to achieve three immediate outcomes: (i) Improved capacity of SIBs, especially those led by women and vulnerable groups, on sustainable business development and financing; (ii) Improved ecosystem of intermediaries supporting SIBs, especially those led by women and vulnerable groups; and (iii) Strengthened capacity of government policymaking that enables SIBs to be gender-responsive, inclusive and transparent.

#### **Immediate Outcome 1 – Improved capacity of SIBs, especially those led by women and vulnerable groups, on sustainable business development and financing**

The activities related to the outcomes under Immediate Outcome 1 reflect the top needs for support identified by SIBs, as well as their preferred methods of support delivery. According to CSIP and British Council's 2020 report, under the pressure of COVID-19, SIBs have been forced to critically transform their business models and activities. On a scale of 5, the following areas ranked as SIBs' top needs for support, including: (i) the need to increase sales and open markets (4.26); (ii) the need to achieve lean, safe and

effective digital transformation (3.87); (iii) the need to review and transform business models and strategies (3.87); and (iv) the need to review and build financial strategy (3.86).

Regarding the need for financial access, CSIE's 2020 report also emphasizes that SIBs desperately need sufficient cash flows to sustain their social mission during the COVID-19 situation.<sup>61</sup> The report further highlights that the most immediate financial need is to get access to low-interest loans from the government and banks, as well as grants and donations for their employees and beneficiaries.

As such, the activities under Immediate Outcome 1 will support SIBs, especially those led by women or with gender responsive workforce in terms of: (i) access to business development services, in particular regarding sales and market support, digital and business model transformation; and (ii) access to finance, in particular regarding building SIBs' capacity to identify different financial resources and build an attractive portfolio and proposal to receive investment. The project will also provide seed-funding to high potential and high impact SIBs in carrying out activities towards those two goals.

In terms of the modes of delivery, feedback from SIBs identified direct dialogues with experts in the field (3.78) and 1-on-1 consultation (3.83) as the top two preferences. Therefore, the following activities will be designed so that besides the general capacity building with top experts in the field, 1-on-1 coaching sessions will be carried out in the form of incubation and acceleration programs.

### ***OUTPUT 1.1: Access to business development services improved for SIBs, especially those led by women and vulnerable groups***

#### ***Activity 1.1.1: To build capacity on business development and Establishment of the SIB Hub***

##### General trainings

The general capacity building program is composed of short and standardized courses that any SIB can take, and will be designed based on SIBs' challenges and support requirements. It aims to enhance SIBs' knowledge about anticipatory governance, sales strategy, brand differentiation, product innovation, digital transformation risk mitigation, etc... SIBs can adopt practices to serve consumers in their community, expand to other areas in Viet Nam, or export, depending on their business models. Other training can also be conducted to meet SIBs' needs which are collected from SIB Hub and consultation meetings to ensure that

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<sup>61</sup> CSIE, Impact of Covid-19 outbreak on Social Enterprise sector in Viet Nam and recommended support (2020). Available at: <http://csie.neu.edu.vn/published-reports/>

knowledge and skills are applicable in the update context.

Gender equality and women's economic empowerment will be integrated as part of the capacity building program, ensuring SIBs are aware of such issues and equipped with sufficient skills to promote equal opportunities, benefits and environment for their women employees, suppliers and other women in SIBs' value chain network. Topics of these capacity building sessions will address the issue of gender equality in business environment, including practices to build gender-sensitive regulations, and prevent sexual harassment, violence and discrimination. There will also be sessions related to family's life, such as work-life balance, time and stress management, sharing of unpaid care and management, and overcoming social norms. As part of this, both men and women employees of SIBs, and both women-led and men-led SIBs will participate in these programmes for greater impact and outreach.

The capacity building program will also include topics on PWDs, with specific elements to help equip SIBs with the knowledge and tools to provide a better work environment for employees with disabilities (such as combating biases against PWDs in the workplace; modifying work arrangements to better support the abilities and circumstances of PWD employees). There will also be a focus on reaching out to PWD beneficiaries more effectively (such as capacity building staff on how to interact and communicate with people with different types of disabilities).

In the area of environmental protection and climate change, the capacity building program will raise SIBs' awareness on environment-related areas such as energy use, material and resource efficiency and management of environmental risks associated with business operations (such as in appropriate measures for pollution prevention and waste management, especially with additional biomedical waste due to COVID-19 situation). The capacity building program will equip SIBs with methods and tools to conduct environmental impact analysis. The project also promotes building an environmentally friendly workplace to promote employees' health.

This activity will also support SIBs in developing a plan and strategy for their business to cope with COVID-19 and potential future shocks. Brand differentiation for SIBs is considered as a key part of business strategy for SIBs. Social purpose has been shown to drive consumer purchasing decisions and enable SIBs to charge a price premium, leading to increased revenue. Consumers' identification for brands with social impacts can affect their purchase choice, their loyalty and their willingness to pay. The capacity building program will be run for 50 SIBs per year, with both online and offline modes, depending on COVID-19 situation and needs of participants.

Besides the general capacity building, SIBs needs should be met in a more customized manner. Rather than creating a one-size-fit all capacity program, this project will try to match SIBs with the incubation and

acceleration programs relevant to their specific requirements as in the following way.

### SIB Hub

SIB Hub is a team set up under the management of SIB Ecosystem Network (mentioned in Output 2), with the function of (1) collecting, analyzing and distributing important data on the SIB ecosystem, especially the SIBs' challenges and support requirements, in a real-time manner; (2) facilitating the matchmaking between SIB needs and SIB service providers; and (3) providing a centralized knowledge library on SIBs. SIB Hub will collect data of SIBs, SIB intermediaries, policies related to SIBs through surveys, consultation meetings/dialogues, phone call/online chat function, emails to regularly listen to SIBs' challenges and support requirements. Such real time needs of SIBs are important inputs for intermediaries to decide supporting services to SIBs and policy makers to create more relevant supporting policies. Match-making and knowledge sharing which includes impact measurement and management framework and self-reporting system would also be key activities of a SIB Hub. Through the SIB Hub and SIB support network, the SIB network is gradually established and expanded when needs/requirements are met.

SIB Hub is supposed to be the central facilitator to connect different actors in the SIB ecosystem, therefore, guiding members of the Hub will represent main actors in the ecosystem like SIBs, SIB intermediaries and SIB policy makers. At the initial stage, the project will fund the operation of SIB Hub and facilitate guiding members of SIB Hub to build up a business model to sustain, either fee base or government funding.

### Matching with incubators to support SIBs at initial business development stage

For the SIBs that want to transform their businesses (e.g., business model adaptation to the new normal situation after COVID-19 or digital transition of their internal procedures), the project will try to match them with relevant incubators to support them in such requests. Every year, six most advanced and with the greatest potential SIBs will be selected to participate in the incubation matching program. Priority will be given to those that have consideration of gender and/or environmental issues in their business plans. The project will provide funding for the chosen SIBs to participate in the incubation program of their choice ( through Activity 1.1.2 below), among the list of qualified incubators that the project endorses. These incubation programs generally last for 3 to 6 months. This is to make sure that the SIBs have someone to support them throughout the first period of their business transformation.

### ***Activity 1.1.2: To provide seed-funding for business development***

Together with the coaching, each SIB participating in the incubation program will receive a seed-funding grant ranging from CAD 8,000 to CAD15,000 but dependent on the needs and scope of business to put

towards initiatives to transform their businesses to cope with COVID-19 and have greater preparedness and resilience for potential future shocks. This will be used to procure services such as design, marketing, application for product certificates (e.g., the Global G.A.P for those in the agricultural sector), hiring intellectual property consultants to file for trademark protection or pay for the incubation/experts in the mentoring section. The spending plan needs to be discussed with and agreed by the coaches to mitigate the risk of fraudulent use of funds.

### ***Activity 1.1.3: Support to expand SIBs' markets through existing sale platforms and other tools***

#### *A promotion campaign to raise consumer awareness of SIB products and services*

One of the critical needs to promote the growth of the SIBs in Viet Nam is to increase consumer awareness on SIB products and services, to increase demand. This is especially critical during the COVID-19 situation, when consumers' incomes have been reduced, and as a consequence, so too has the demand for goods and services. This activity aims to raise consumer awareness of SIB products and services, including the social impact that SIBs generate through a communication campaign. This involves having key opinion leaders (KOLs) on social media such as YouTube, Instagram and Twitter, especially opinion leaders from diverse communities, including women leaders, representatives of EMs, PWDs and LGBTQI+, to promote the value of SIB products and services and the benefit purchases can bring to advancing impacts of SIBs, as well as contributing to the achievement of the SDGs. The campaign will edify SIBsin helping vulnerable groups, highlighting aspects such as supporting women's economic empowerment and addressing environment and climate change challenges. The campaign will also be carried out in local languages to ensure that the messages will reach people from different ethnic minorities.

#### *E-commerce platforms to support SIBs' online sales*

To increase access to new markets and increase sales in the COVID-19 context, the project will promote SIB products and services on several e-commerce platforms. These include well known, larger platforms, such as Shopee, Tiki and Lazada, where a customized venue would be opened for SIBs. Additionally smaller existing specialized platforms for SIB products, such as [Hop Tac Xa That Tha](#) ("The Honest Cooperative") or [Tốt Mart](#) ("The good market") will be explored. For the tourism sector, the support will help enhance online sales for the community-based tourism industry which greatly benefits local enterprise owners. Similarly, for the agricultural, health and education sectors, the project will provide capacity building on marketing contents highlighting key values that SIBs bring with their unique products/services. Combined with the awareness raising campaign mentioned above, this is expected to effectively bring more SIB products and

services to the market and create new customer bases for SIBs.

## ***OUTPUT 1.2: Access to finance improved for SIBs***

### ***Activity 1.2.1: To build capacity for accessing finance***

One of the main challenges for SIBs, which has been intensified during COVID-19, is limited access to finance. This is primarily due to the low risk tolerance of traditional funders and SIBs' lack of capacity to demonstrate their projects' financial feasibility. This training aims to support SIBs to enhance their understanding about the environmental, social and economic impact of their social impact activities and learn how to inform such sustainability indexes to serve social impact market strategies. As a means of capturing value, social return on investment (SROI) is a method to transform social, environmental, and economic outcomes into monetary values. The SROI calculation process is stakeholder-focused, calculating the financial implications of the meaning and importance that stakeholders assign to social and environmental outcomes. It can also enable future projection, net present value calculations, and sensitivity analyses to determine the impact of changing assumptions. The program will also include learning about the existing sources of finance and investment and how they have changed during the COVID-19 period. It also includes hands-on workshops on pitch deck preparation, business plan and financial proposal writing.

Similar to the general capacity building course on business development, these courses will also be delivered online to 50 SIBs a year.

### ***Activity 1.2.2: To provide seed-funding for SIB to attract and increase readiness for new investment***

With COVID-19 causing many SIBs significant financial distress, seed-funding is crucial in ensuring follow-up action from the capacity building and coaching to improve access to finance. Therefore, similarly to the financial benefit given in the incubation program, each SIB participating in the acceleration program will also be provided a grant ranging from CAD 8,000 to CAD 15,000 (and based on the need of SIBs) to help improve their businesses and increase their readiness for investment. The grants can be used to procure services such as legal services to prepare investment term sheets or services to help with merger & acquisition deals, or pay for the accelerator fee.

### ***Activity 1.2.3: Matching between SIBs' needs and relevant business development service providers***



SIBs at different development stages have diverse needs that require different business development services. Those services can vary from general training on business development to specific services to meet specific needs of SIBs. Through SIB Hub, SIBs' needs will be addressed by matching with relevant business development service providers.

#### Matching with accelerators to support SIBs with high growth and high impact potential

For SIBs with high growth and high impact potential, and hence, the possibility to attract commercial investment, the project will match them with relevant business accelerators that can help them do so. Each year six SIBs will be chosen for the accelerator matching support. Priorities will be given to SIBs whose business plans have consideration of gender and/or environmental issues. Similar to the incubation program, these SIBs will receive funding to participate in the acceleration program of their choice, within the list of high quality accelerator programs that the project endorses. The purpose of this program is to support SIBs in building an attractive portfolio in terms of business performance and social and environmental impacts, to be able to call for investment from venture capital funds and angel investors. Apart from general capacity building programs, incubation and acceleration, other business development services that can be matched by SIB Hub are probably packaging, branding, certifications to access international markets, technology transfer etc...

#### Match-making events with investors

Information about different funding resources for SIBs such as equity investors, philanthropic funds and banks and investment opportunities will be provided to SIBs through the SIB Hub. Since gender-lens investing is on the rise in Vietnam, according to the GIIN and Intellectap's 2018 report, special investment-matching events for such businesses and investors will be carried out. At the same time, the project will work with development and commercial banks and the SME Development Fund (SMEDF) (under MPI) to help them understand more about the specific challenges and needs of SIBs, especially those led by women, and advocate for special credit conditions for SIBs.

### **Immediate Outcome 2 –Improved ecosystem of intermediaries supporting SIBs, especially those led by women and vulnerable groups**

One of main drivers of the SIB ecosystem is intermediaries who are supporting SIBs to grow. The activities under this outcome aim to address the challenges and needs of SIB intermediaries, and will be focusing on: (i) building a network of SIB intermediaries; (ii) providing capacity building and funding support to existing SIB intermediaries; and (iii) providing capacity building and funding support to new and mainstream

intermediaries to carry out innovative service experimentation to SIBs. To increase the service-minded business attitude among SIB intermediaries, co-investment is encouraged to SIBs intermediaries instead of normal grant mechanisms. The project will pilot the model that intermediaries will co-contribute finance together with funding support from the project to implement specific solution packages to support SIB to recover from COVID 19 or other disruptions. Other single business development services provided from intermediaries to SIBs are negotiated based on market price. The SIB intermediaries include universities, research institutes, NGOs, trade associations, incubators, accelerators, mentors, coaches, investors/funding agencies and other service providers (including impact assessment practitioners/auditors). Besides the CSIE and UNDP's 2018 report, which briefly listed the names and functions of different SIB intermediaries, and the GIIN and Intelicap's 2018 report, which provides an overview of the impact investment situation, including different institutional impact investors in Viet Nam, there has been very limited research into this ecosystem. Therefore, the design of this Intermediate Outcome's activities largely depends on the insights from the project's preliminary interviews with existing SIB intermediaries and mainstream entities that are considering providing services to SIBs (see the interviews' insight summary in the Annex).

According to these interviews, since the number of SIB intermediaries remains to be small and resources are constrained, it would be very beneficial to have a network of all SIB intermediaries, where they can share information, knowledge, skills and resources to work together more effectively towards building a stronger SIB ecosystem. Another need that has been identified is in terms of capacity building. For existing SIBs, many complain that they have a serious lack of capable and committed human resources to support SIBs. During the COVID-19 time, SIB intermediaries also have an urgent need for new skills and knowledge and also for funding to support SIBs. For mainstream intermediaries that want to venture into the SIB field, they need support in both capacity building and strategies that will equip them to smoothly and effectively transition and support SIBs.

***OUTPUT 2.1: A network of SIB intermediaries established and implemented, with a focus on supporting SIBs led by women and vulnerable groups***

As mentioned in section 1.3, SIB intermediaries in Viet Nam mostly work in silos, without a common platform to connect and synergize. The COVID-19 pandemic period, with its unforeseen ending date, means that resources will be scarcer and the need for new capacities to support changing needs of SIBs is high. Therefore, it is important that intermediaries connect, share knowledge, ideas and resources to provide support to SIBs. This activity seeks to create a national network of SIB intermediaries, beginning with mapping out the various stakeholders in the SIB ecosystem, and reaching out to them to join the network. These stakeholders include universities, research institutes, NGOs, trade associations, incubators, accelerators, mentors, coaches, investors/funding agencies and other service providers (e.g., legal

consultants, marketing agencies, platforms selling SIB services).

The network will be managed by a board of management, which will be selected in the first meeting and with at least 50 percent of the seats held by women. Selecting those who work on gender equality, especially economic empowerment of women, will be a priority for not only implementing the project, but also creating a network for policy advocacy on women's economic empowerment. The network's board of management will decide on the activities of the network and install the ecosystem leaders in the 3 regions (North, South and Middle of Viet Nam) to operate activities in each area. A secretariat board will be created to keep track of network documentations, organize national network meetings and activities, follow up with regional meetings and activities, and help to maintain the content of the network's website. It is expected that every year there will be one large network event at the national level and three regional events (one per region).

This activity will also include grants to support network activities, decided by the network's board of management every year and given to network members, at which point any members can apply with solutions for activities to strengthen the network. One important activity that could benefit the network is building an IMM framework and system that can be used for both the network members and their SIB beneficiaries. This would benefit SIBs in presenting their impacts in a systematic way to investors, to strengthen the case for investment. For this, a relevant intermediary could be in charge and provide the knowhow to the whole network. This could also be tested as a long-term service for the network - to train and support SIBs in applying IMM frameworks and building systematic IMM reports, as well as to accredit high-impact SIBs as a means of promoting their products and services to the market (which can be integrated into market access support for SIBs in Activity 1.1.3) and attracting impact investors (which can be used for investment matching purposes in Activity 1.2.3). Some of other possible enhancements to the network's capacity and linkages include creating a mentor-mentee activity, strengthening the community among network members, and experimentation of financial service mechanisms/financial packages for SIBs.

Within the broader network of SIB intermediaries, this activity will also support a specialized group of SIB intermediaries to assist women-led businesses and women-targeting SIBs, such as WISE and Women's Union, who are among this project's counterparts and beneficiaries. The group will share opportunities, experience, resources and skills in supporting such SIBs and their beneficiaries. Specialized women-entrepreneur mentor-mentee matching activities have already been proven effective in many countries, including Viet Nam.<sup>62</sup>

## ***OUTPUT 2.2: Capacity building programs and support delivered to existing SIB***

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<sup>62</sup> See <https://women-initiative-foundation.com/en/about-mentoring/>

See <https://fwe.ca/mentor-program>

***intermediaries, especially those supporting SIBs led by women and vulnerable groups***

The Capacity building programs set out to narrow the gap between SIB needs and capability of SIB intermediaries to provide services. Through the SIB hub, survey and regular consultation meetings, SIB challenges and requirements are updated and SIB intermediaries understand clearer what they should do to provide services sustainably to SIBs. On the one hand, through SIB hub, intermediaries are able to understand and be updated with SIBs' needs, and how the whole SIB ecosystem is operating. On the other hand, they can raise their requirements as well as propose solutions to better support SIBs.

The capacity building program is designed with an ultimate goal to build up individual champions of intermediaries, who are considered main drivers to accelerate the SIB and SIB supporting network. The first cohort of key individual champions will continue to support existing intermediaries and new intermediaries and expand the network of new SIB supporting champions.

*A capacity building program for intermediary organizations*

This capacity building program is intended for intermediary organizations (universities, incubators, accelerators, etc.) to support them advancing their knowledge on impact measurement, organizational management and sustainable finance modelling. The knowledge is essential for them to be able to effectively design and manage their activities in supporting SIBs in Viet Nam. The topics of gender equality, economic empowerment of women, and environmental protection and climate change will be integrated throughout the capacity building program. The capacity building program will also aim at improving intermediaries' capacities to provide new services to meet SIBs' emerging needs due to COVID-19, namely, digital and business model transformation, access to finance, etc. The capacity building program will be designed based on the requirements of intermediaries and in accordance with international good practice and engage international experts in the field.

The selection and capacity building of key individual champions of intermediaries is very important as they are considered main drivers to accelerate the SIB and SIB supporting network. The selection participants will come from backgrounds in both public and private sectors with a variety of business development experience, especially with marginalized people. They will be trained through an intensive two-month course. The first cohort of key individual champions will continue to support existing intermediaries and new intermediaries and expand the network of new SIB supporting champions

After the general capacity building program, selected intermediary organizations (up to 5 per year) that need further in-depth support for their business model transformation will receive 6-month 1-on-1 technical assistance to support them in applying the knowledge they have learned from the general capacity building

courses to real-life practice.

Priorities for the coaching will be given to existing intermediaries that focus on or well-integrate gender and/or environmental issues.

#### *A capacity building program for SIB Innovation Champions*

Among the community of mentors and coaches for SMEs and start-ups, those with knowledge and skills to support SIBs specifically are limited. Even for those that support SIBs, the specific knowledge and skills required to support SIBs address challenges they face during COVID-19 are likely not there. Therefore, in addition to intermediary organizations, the project also provides individual consultants, mentors and coaches with capacity building on supporting SIBs, especially during COVID-19.

The aim is that after this course, individuals will significantly improve their capacity to provide services to SIBs, extend their customer segment to include SIBs and be able to adequately address problems that SIBs face as a result of COVID-19. For example, individual consultants, once equipped with the specific knowledge and skills to support women-led or women-targeting SIBs, can start delivering services to such SIBs, contributing to addressing the challenges of women during COVID-19 (e.g. work-life balance), even though they might not have done so before.

They can provide independent services, join existing SIB-supporting organizations or establish new ones, all of which contribute to the development of the SIB ecosystem. The capacity building program, “SIB Innovation Champions”, is structured as a fellowship provided for ten champions a year and includes an intensive capacity building bootcamp and 1-on-1 coaching program run over 6 months with a master coach, which will ideally be a Canadian expert in the field. The fellowship will prioritize individuals with aim to provide services that integrate gender and/or environmental approaches.

#### ***OUTPUT 2.3. Incentives given to new and mainstream intermediaries having new integrated impact programs***

This activity aims to extend the existing ecosystem of SIB intermediaries by engaging new and mainstream intermediaries and educating them about the SIB sector, including their specific situation and needs during COVID-19. These could be for example start-up incubators that focus on technology but want to build a new impact track for SIBs; or a university that wants to build a new comprehensive program to promote student impact entrepreneurship development, from ideation to business creation. The activities include mentoring sessions between existing SIB intermediaries and potential new ones, to inspire and raise awareness, as well as go into in-depth discussions on how to support SIBs through the COVID-19 period. Once a new

intermediary or a mainstream one commits to opening a new line of business to support SIBs, it can be provided with a 6 month 1-on-1 coaching program to support the transition and development process of becoming a SIB intermediary.

Priorities for coaching will be given to new and mainstream intermediaries that want to expand their areas to promote empowerment of women and address environmental protection and climate change.

### **Immediate Outcome 3 – Strengthened capacity of government policymaking that enables SIBs to be gender-responsive, inclusive and transparent**

As the Annex shows, government officials are often said to lack both understanding of SIBs and capacity to build SIB-support policy. Through the SIB hub, survey and regular consultation meetings, government officials have a chance to understand and be updated with SIB current challenges and requirements so that they will have timely inputs for policy making decisions to support SIBs. Official group and informal group of policy makers who are in charge of SIBs will be created to regularly exchange knowledge and expertise on SIBs as well as collecting and analysing information from SIBs for the policy making process. The activities under this outcome will focus on three key activities, including: (i) providing gender-sensitive capacity building to help improve government officials’ understanding and mindset on SIBs and SIB development, as well as impact measurement framework and tools; (ii) provide technical assistance to help the government build effective, participatory and inclusive and gender responsive policy towards supporting SIBs and the SIB ecosystem; and (iii) carry out policy experimentation in certain provinces to generate success stories that demonstrate the benefits of SIB ecosystem building, for government officials to be convinced of and learn from.

#### ***OUTPUT 3.1: Capacity building program designed and delivered to the government on supporting SIBs, with a focus on gender responsiveness***

Supporting SIBs requires cross-sectoral, coherent, and collaborative efforts by many relevant ministries (i.e. in areas such as education, taxation, labor, innovation and entrepreneurship) that have not been exposed to the necessary knowledge and skill sets to support SIBs in Viet Nam.

This activity aims to fill that gap, providing a comprehensive understanding of the sector for a wider range of government officials in relevant ministries and departments. It will uncover global best practices for SIB support, including specific SIB-supporting policies (i.e., financial, capacity building and other incentives) and aspects of implementation, especially on policy to support SIBs’ resilience to COVID-19 and other shocks.

The capacity building activity is aimed at helping government officials to improve their understanding of important aspects of SIBs' work, including gender equality, empowerment of women, environmental protection and climate change mitigation, poverty reduction and promotion of PWDs' rights. The activity will also include sessions on impact measurement, providing the government with a valid benchmark to evaluate SIBs participating in incentive programs, as well as effectiveness of the programs themselves.

The activity is designed following a participatory approach, engaging participants from multiple departments and ministries as well as universities and think tanks. It also assists government officials to design participatory consultation workshops and other methods that engage SIBs and SIB ecosystem stakeholders to participate in the decision-making.

***OUTPUT 3.2: Policy support delivered to the government to build a gender-responsive, inclusive, and transparent regulatory framework to support SIBs***

Although the regulatory framework around supporting SIBs has seen some development in recent years<sup>63</sup>, further work is needed to promote the development of the sector and enhance its resilience. There are two important avenues for possible policy changes that could benefit SIBs: (i) the Draft Revision of Project 844 (under NATEC, MOST), which this project could advocate to include a section on social impact start-ups; and (ii) the Draft Decision to support sustainable and inclusive businesses, guiding the implementation of Decision 1362<sup>64</sup> (under AED, MPI), which this project can support to define inclusive businesses and design relevant incentives for them. This project will develop the capacity of the government by introducing international best practices in SIB-supporting policy, as well as design strategies to support the SIB ecosystem through consultation workshops and national dialogues.

To build SIB-supporting policies that are gender-responsive and inclusive, policy consultation workshops will include women leaders and female beneficiaries of SIBs, SIB intermediaries and other stakeholders. This activity will also advocate for specific policy elements to address SIBs' challenges arising from COVID-19, as well as other potential and unexpected shocks that may arise (e.g., social welfare and cash transfer policy during shocks such as COVID-19).

***OUTPUT 3.3: Policy experimentation on supporting SIBs carried out at the provincial***

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<sup>63</sup> i.e. social enterprise stipulations in the Law on Enterprises and incentives for cooperatives in the Law on Cooperatives

<sup>64</sup> Decision numbered 1362/QĐ-TTg on October 11th 2019 by the Prime Minister on supporting the sustainability of the private sector until 2025, with the vision to 2030. Available at <https://thuvienphapluat.vn/van-ban/doanh-nghiep/Quyết-dinh-1362-QĐ-TTg-2019-ke-hoach-phan-trien-ben-vung-doanh-nghiep-khu-vuc-tu-nhan-426222.aspx>

***level, with a focus on gender responsiveness******Activity 3.1.1: To raise the awareness of local government officials***

Local-level government officials, like their national level counterparts, are often less exposed to knowledge about SIBs and learning opportunities on SIBs to improve their capacity in addressing SIBs' needs. Similar to activity 3.1.1, this activity also aims to raise awareness and understanding of local government officials on SIBs and the SIB ecosystem in the local context. Each province has its own specialized culture, industry focus and products. Hence, the SIB ecosystem, its stage and needs, will be different between provinces.

This activity also enhances local government officials' understanding of the international and national perspectives and experiences of supporting SIBs and the SIB ecosystem, which helps them better benchmark and align policy implementation by their local contexts. This activity will raise government officials' awareness of the correlations of gender-responsivity, inclusivity and transparency aspects of supportive SIB policies at the local level. In addition, the impact of COVID-19 on different cities and areas will be different and will subsequently require local-level government officials to create location-specific solutions to support SIBs.

***Activity 3.3.2: To create a portfolio of policy experiments in selected provinces***

One challenge to policy effectiveness in Viet Nam is the high risk-aversity of policymakers, where evidence of success is required as the foundation for policy scaling. This is likely the reason why there has not been adequate policy recognition and incentives for SIBs, and why one of the few policy documents for SIBs - the Social Enterprise stipulations under Law on Enterprises - has had limited impact. This activity aims to support provinces in building strategies to develop the SIB sector, as well as testing strategies using an experimental approach. Special focus will be given to COVID-19 response strategies and plans to support SIBs and the SIB ecosystem during and after the pandemic. The project will prioritize provinces already benefiting from Global Affairs Canada's existing initiatives on enterprise development (e.g., the southern province of Tra Vinh), and have a strategic relationship with UNDP on innovation and sustainable development (e.g., the central province of Thua Thien-Hue) as locations of potential policy experimentation.

In each of the provinces, the project will help to design the SIB ecosystem promotion strategy and policy for the government to be gender-responsive, inclusive and transparent. Based on such a strategy and policy, the project will also fund up to three activities as a portfolio of experiments for the SIB ecosystem development. For example, an experiment could be to test the willingness of local investors to increase investments to women-led SIBs if they are given access to highly curated SIB data and opportunities to learn more about impact investment, especially gender-lens investing, from international experts. The result of these



experiments will serve as learnings for other provinces, as well as provide evidence for the later development of the national policy framework.

### **3.2. Resources Required to Achieve the Expected Results**

The duration of the project is three years, starting from April 2021 and concluding in April 2024. The project will focus its efforts on: Ha Noi, Ho Chi Minh City, Da Nang (for activities of the SIB-support network) and selected provinces, like Tra Vinh and Thua Thien-Hue, for policy experimentation. The three centrally governed municipalities, one in the North, one in the Central and one in the South are targeted because they are localities where most of SIBs are established. Moreover, once the capacity of SIBs is strengthened, the project will facilitate knowledge sharing and cross fertilization.

The project plans to focus on SIBs in the sectors of education and healthcare in the three municipalities with high needs in such sectors. For the additionally selected provinces, the project expects to focus on developing SIBs in the agriculture sector. Tourism can be the focus of all three municipalities and the selected provinces depending on confirmation of the latter and their characteristics. There will be regular knowledge- and resource-sharing among these different areas of project focus, to ensure timely course-correction of different experiments, as well as adoption of relevant practices. To better inform and align the project's plans with specific local conditions, an in-depth study to review each location's characteristics will be commissioned. Some key considerations for selection of SIBs from each municipality or province may include industries that employ or support a considerable number of women from different vulnerable groups; and those with comparative advantages.

The project team involved in the direct management of the project will include members from the Inclusive Growth Unit and the Accelerator Lab of UNDP Viet Nam. These units will share the duties for project management, technical advice, communication campaigns, partnership building monitoring and reporting, and production of knowledge products.

UNDP Viet Nam, with its strong programming and management capacity, will bear overall responsibility of implementing the project, and in particular, building and maintaining strategic partnerships. A core programming and project team of three members from UNDP Viet Nam will take on such responsibility. They will proactively work to institutionalize the approach, processes and success into government procedures. The direct management of the Project Technical Team will comprise two staff that will undertake project management, technical advice, monitoring and reporting. The direct management of the Project Support

Team will comprise 1 staff. A detailed plan of the mobilization of resources is explained under Section 3.5 on Project Management.

### **3.3. Partnerships and Stakeholder Engagement**

Strategic partnerships and strong engagement of stakeholders will be integral to the success of this project. To form a national network of intermediaries for SIBs, the project will partner with leading organizations in supporting SIBs in Viet Nam, including development partners (e.g., Embassy of Canada, UN agencies), NGOs/NPOs (e.g., CSIP, Oxfam, Seed Planter), incubators (e.g. Viet Nam Silicon Valley, Song Han Incubator), accelerators, investors (e.g. Viet Nam Angel Network, Patamar, 500 Startups), universities and think tanks (e.g. CSIE, FTU Innovation and Incubation Space, Central Institute for Economic Management), media and other service providers. These stakeholders will be integral in managing, providing inputs and maintaining the SIB intermediary network. They will also join the project's capacity building program for intermediaries, as well as devise the pipeline for the project's incubation/acceleration and grant awards. The project will closely engage them in policy advisory activities and create a constructive environment for dialogue between them and the government for evidence-based and well-informed policymaking. In addition, the project will collaborate with business mentors and coaches to engage them in the SIB Innovation Champions program.

As mentioned in the *gender analysis and approach* section, the project will collaborate closely with national and local authorities and intermediaries that focus on women empowerment (such as the Women Union, the Business Women's Association, WISE, and local women-led SIBs). They will lead a specialized group on empowerment of women within the wider SIB intermediary network. They will also be invited to share their expertise on supporting women beneficiaries to other mainstream intermediaries and other SIBs during the capacity building activities. Their role will be essential in providing insights and advice to the government in the area of gender equality and empowerment of women, supporting the project to achieve the outcome of strengthening gender-responsive policy. The UNDP Gender Taskforce, the UN Governance and Justice Result Group (in which UNDP is the Chair) and the One UN Gender Thematic Group (where UNDP is an active member) will be consulted frequently to ensure that the project follows the UN system-wide Action Plan on Gender Equality and the Empowerment of Women.

The project will continue to leverage the expertise of network members to deliver the capacity building, coaching, incubation and acceleration activities. Impact investors, such as Convergence (Canada), Thrive Foundation and other venture capital funds and angel investors could be reached out to for collaboration on providing grants, low-interest loans and equity investment for SIBs.

At the national level, the project will work closely with MOST and MPI, which are responsible for supporting businesses and innovative start-ups in Viet Nam, to promote SIBs in new policies. At the provincial level, governmental authorities of the selected provinces for policy experimentation will be strongly engaged in the formation of the provincial-level SIB ecosystem, especially in building SIB ecosystem strategies and policy frameworks.

Best practices from Canada will be applied in Viet Nam through the partnership between UNDP, the Embassy of Canada in Viet Nam and other Canadian organizations, such as Convergence, Socodevi, SVX- Invest for impact, Valhalla Capital, the Canadian Forum for Impact Investment and Development (CAFIID), and the Canadian Council for International Cooperation (CCIC).

The project will leverage UNDP's existing programmes supporting SIBs, such as Youth Co:Lab, SDG Challenge and Impact Aim and deepen existing partnerships, such as CITI Foundation and the Impact AIM global team to the ISEE- COVID project. Large corporations such as Unilever and Vinamilk will also be connected with the SIB ecosystem to exchange knowledge, share experience, and become customers for SIB products and services.

### **3.4. Visibility of the Government of Canada**

The project will ensure sufficient visibility of the Canadian Government as a pioneering donor, supporting vulnerable groups in Viet Nam with recovery and co-existing with COVID-19 through supporting the SIBs. Through this partnership, Canada's branding will be familiar with SIBs, intermediaries, investors and other stakeholders that have been in close collaboration with UNDP and will be engaged in the project. The reputational and credibility gains for the Canadian Government and UNDP with the Government of Viet Nam and Vietnamese citizens will mean a win-win for both organizations.

Canada is the only donor to this project, and the visibility achieved through several mechanisms, including but not limited to:

- Donor branding at workshops, capacity building sessions and events to be organised;
- Donor mentioning in success stories on social media and blog stories;
- Donor logos and acknowledgement in the project's knowledge products;
- Representatives from the Canadian Embassy in Viet Nam invited to join and deliver opening speeches in all project events;
- Canadian expertise leveraged in all relevant activities throughout the project.

### 3.5. Risks and Assumptions

The key risks to the implementation of this project are summarised in the Risk Log below.

Risk/threat	External/Internal Risks Probability, Impact (low, medium, high)	Analysis and Mitigation strategy
<b>Challenges in influencing policy</b>	<ul style="list-style-type: none"> <li>- External risk</li> <li>- P: Medium</li> <li>- I: High</li> </ul>	<p>As the policy making process is often lengthy and bureaucratic in Viet Nam, a concern is that the project will not be able to influence policy to support SIBs. Moreover, the experimentation approach is still relatively new for government officials. In particular, government officials are often used to “best practices” and “success stories”, but if some of the experiments do not prove successful or invalidates government assumptions, they may be dissatisfied and not adjust policy accordingly or prematurely dismiss processes to better inform policymaking.</p> <p><u>Mitigation measures:</u></p> <ul style="list-style-type: none"> <li>● UNDP will build upon the existing strong relationship with government partners, such as the National Agency for Technology Entrepreneurship and Commercialization Development (NATEC) and the Agency for Enterprise Development (AED), to promote changes in policy that favour SIBs. There are several opportunities to influence related policies that these organizations are in charge of, i.e., the Draft Revision of Project 844 to support the National start-up ecosystem until 2025 (under NATEC), and the Draft Plan to implement Decision 1362 on supporting sustainable and inclusive businesses (under AED).</li> <li>● These are also agencies that have been working on innovation for a few years and are used to the experimental and innovative approach to policy. Therefore, UNDP can work with them to convince other government agencies and stakeholders to create and change policy towards SIB development.</li> </ul>
<b>Environmental risks</b>	<ul style="list-style-type: none"> <li>- External risk</li> <li>- P: Low</li> <li>- I: Low</li> </ul>	<p>The project recognizes the potential risks of supporting businesses whose activities may have negative impacts on the environment due to their low capacity and knowledge on sustainable business management., especially in the early stage of the project.</p> <p><u>Mitigation Measures:</u></p> <ul style="list-style-type: none"> <li>● At inception of the project, a rapid assessment of the environmental impacts of each business plan proposed by the SIBs will be carried out following UNDP’s global criteria and standards. UNDP will particularly look for aspects related to water usage and air quality, biodiversity conservation and natural resources management.</li> <li>● A list of criteria will be established by the project team, with input from the climate change and environment experts in order to rapidly screen out SIBs whose operations may result in long term adverse environmental impacts.</li> <li>● Furthermore, only non-combustion and non-thermal processes will be considered eligible under the project.</li> <li>● The capacity building program will be tailored based on the specificity of each type of SIBs and subsequent objectives and KPIs will be established. The grant and support from UNDP will be closely tied to the achievement of such results.</li> </ul>

<p><b>Financial mismanagement/corruption</b></p>	<p>- Internal &amp; External risk</p> <p>- P: Low</p> <p>- I: High</p>	<p>There might be some financial risks associated with the grant-giving component of the project.</p> <p><u>Mitigation measures:</u></p> <ul style="list-style-type: none"> <li>● <b>Selection:</b> From the general capacity building program provided to around 100 SIBs per year, the project can already identify the level of commitment and quality of these SIBs. Based on that, the most serious SIBs and those with the most potential will be selected to participate in the SIB incubation and acceleration programs.</li> <li>● <b>Monitoring:</b> To mitigate risks on financial mismanagement, the project includes a robust monitoring framework for the use of grants. Once selected for funding, the SIBs and SIB intermediaries must consult with their coaches on the spending plan. These coaches will also follow all of the SIBs and SIB intermediaries' activities during the 6-month coaching programs to make sure that they spend the money appropriately towards improving their businesses and report to UNDP regularly. The project will apply the UN's <a href="#">harmonized approach to cash transfers (HACT)</a>, which helps to manage any arising financial risks as the project proceeds. TORs and specifications for logistic service procurement will be discussed and agreed with the Project Board.</li> <li>● <b>Overall:</b> The Project fund will be managed and implemented by UNDP based on international standard and UNDP rules and regulations, noting UNDP is ranked as the second most transparent aid organization in the world. Most of the activities in this project are focused on capacity building, and therefore the financial and corruption risk is low.</li> </ul>
<p><b>COVID-19</b></p>	<p>- External risk</p> <p>- P: Low/Medium</p> <p>- I: High</p>	<p>Given the current, unpredictable COVID-19 situation which will continue and may escalate in Viet Nam through the duration of the project it poses a risk for the project implementation especially network meetings, capacity building sessions, policy consultation workshops, and meetings between the project management, local governments and ecosystem stakeholders during policy experimentation. Moreover, if travel bans between countries are not lifted, it will be difficult for Canadian experts to travel to Viet Nam to join project activities and events.</p> <p><u>Mitigation measures:</u></p> <ul style="list-style-type: none"> <li>● If needed, the capacity building activities will be carried out online, which reduces the dependency on physical presence when social distancing, lockdown or other measures prohibiting movement and contact are applied. As the project is largely focussed on overcoming such issues in SIBs and SIB intermediaries, it is well geared to shift to alternative means of conducting activities, such as moving to online meetings and workshops when necessary. This could even serve some benefit to participants as they can witness and experience the process of and requirements for change to adapt to circumstances.</li> <li>● The project will leverage local expertise in Viet Nam as well as UNDP's internal expertise on SIB development, including from the Bangkok Regional Hub, when travel of Canadian experts is restricted beyond practical means. At the same time, as many meetings, coaching and workshop sessions as possible by Canadian experts can still be delivered online, as UNDP and ecosystem stakeholders will have been familiarized with online working tools.</li> </ul>

<p><b>Getting approval from the Government</b></p>	<p>- External risk - P: Low - I: High</p>	<p>Since UNDP has carried out many projects of similar nature with government counterparts, including MPI and MOST, it is unlikely that the project will not be approved by the government. There is a risk, however, that the approval process will take time because government partners will have to adapt to the new regulation on the management of ODA projects (Decree 56/2020/ND-CP), which was effective in May 2020 but implementation guidelines are not yet issued</p> <p><u>Mitigation measures:</u></p> <ul style="list-style-type: none"> <li>• UNDP has consulted with both MOST and MPI on this project proposal and received their institutional support for addressing the risk.</li> <li>• All UNDP's new project proposals have to go through a Local Project Appraisal Committee (LPAC) meeting to gather opinions and feedback from colleagues, as well as from government counterparts, before the project is signed. UNDP will make sure to reflect these opinions and feedback in the detailed work plan of the project, and in close discussion with the Embassy of Canada, to make sure that the government counterparts are satisfied with the project.</li> </ul>
<p><b>Potential tensions around the prioritization of women-led SIBs</b></p>	<p>- External risk - P: Low - I: Low</p>	<p>As this project prioritizes and promotes women-led SIBs, there is a risk that some female leaders and founders of these SIBs would not cope well with constraints from social norms around gender roles.</p> <p><u>Mitigation measures:</u></p> <ul style="list-style-type: none"> <li>• This project will convene promotion campaigns with gender sensitization images, ensuring the principles of gender-sensitive communication to highlight women's roles in family growth, economic contribution and their aspiration for career development in an effort to gain support from their family and community members.</li> <li>• The capacity building sessions also include men-led SIBs and so that men can also be the driver of change for women.</li> <li>• Provide psycho-social, mentoring and peer to peer support as required.</li> </ul>
<p><b>Sustainability of SIB intermediary network</b></p>	<p>- External risk - P: Medium - I: Medium</p>	<p>There is a risk that after the project, the established SIB intermediary network will not be able to sustain due to a lack of resources.</p> <p><u>Mitigation measures:</u></p> <ul style="list-style-type: none"> <li>• Within the project timeline, experts will be engaged to help the network's management board to build their exit strategy, as well as test different business models to determine the services that are helpful to network members. With this, after three years, the network will have built strong capabilities and credentials in terms of SIB supporting capacity building, incubation/acceleration and other service provision, and will even be able to accredit SIBs. All of this will help bring sufficient resources to ensure financial sustainability for the network.</li> <li>• Moreover, as the project advocates for SIB-ecosystem supporting policy, it will also promote policy that supports SIB intermediaries, which will likely provide grants and other resources for the network.</li> </ul>

### 3.6 Knowledge products

The production and dissemination of knowledge is central to the success of the project, as the lack of reliable

data prevents evidence-based decision-making in supporting SIBs in Viet Nam. The purposes of delivering sound knowledge management are: (i) to ensure full and transparent engagement with the targeted stakeholders and SIBs; (ii) to ensure that knowledge and results are shared with all stakeholders. (iii) and to establish an M&E framework that will detail progress and identify any issues as they arise. Specifically, the following knowledge products will be produced:

**Output 1:**

- A report that summarizes the activities of the SIB Hub and other supporting programs for SIBs, including detailed analysis of success stories and lessons learned.
- Strong e-commerce sales channels for SIB products and services.

**Output 2:**

- An online platform with information of the network members, supported SIBs and project publications.
- Gender-sensitive capacity building curriculum of all programs such as SIB Innovation Champions, Impact Measurement and Management, General capacity building for network members.
- Short videos that ensure principles of gender sensitivity, directed and produced by UNDP showcasing success stories, including interviews with beneficiaries and main stakeholders.

**Output 3:**

- Videos/reports of case studies of the selected provinces for experimentation. This will include governance arrangements, lessons learned, bottlenecks and identified solutions. Case studies will explain the strategies adopted and propose recommendations for the scaling-up of the model at the national level.
- Policy research and recommendations, focusing on SIBs and gender-responsive and transparent analysis.

**3.7 Sustainability and Scaling Up**

In the beginning, the ISEE-COVID project can fund the operations of the Hub but gradually, it could be funded by the SIB Network itself. For example, later on, the Hub can be funded by the government through the state budget or by members of the SIB network through membership fees. Both of the models are quite popular in many western countries, and the latter has seen evidence in Viet Nam (i.e. the Vietnam SME Mentoring Network)

A national network of SIB intermediaries will be formed under the project. To ensure the sustainability of the network, it will be formed with leading organizations in supporting SIBs in Viet Nam as the founding members (e.g., UNDP, CSIP, Patamar, CSIE, Oxfam and British Council), with the leader role being rotated among the founding members every year. The general capacity building for all network members and 1-on-1 coaching program for the key members, will help intermediaries build their capacities to become more resilient, and also strengthen their commitment to the network. The network will also contribute further to learning, advocacy and exploration of new opportunities, including closer engagement with other stakeholders in seeking collaboration opportunities.

A secretariat board will be created to coordinate the activities of the network, including regular network activities and the events for fundraising. After three years of the project, the network will pilot chargeable services, such as matching for investors-SIBs, capacity building and mentoring. After the project ends, the network will continue to maintain and develop itself, and the SIB innovation champions will continue their journey to support new SIBs in Viet Nam. As all the capacity building curriculums will be published and shared widely among the SIB ecosystem, other projects and programmes could continue to use and develop it.

The project is also designed with the aim of supporting and growing the SIB sector. The project aims to provide capacity building for SIBs in general, then support those with the most potential to grow (by helping to improve their business models and sales, as well as improving their access to finance). As a result, the SIBs will be more resilient to COVID-19 and other external threats, as well as be developed well after receiving necessary support. The success of the SIBs benefiting from the program and as beneficiaries of project legacies will help new entrepreneurs recognize the potentials and choose to become the next SIB generation.

By supporting the government of Viet Nam to develop SIB policy, the project will help SIBs become more formally recognized in policy and regulatory frameworks, receive more resources for development, and raise their voices more equally to influence future policies that are relevant to them. The experimental activities to build the SIB ecosystem in selected potential provinces aims to create a replicable and scalable model for other locations and with other stakeholders. This project aims to build the capacity of government officials to utilize innovative, participatory and cross-sectoral approaches, which can be applied to other sets of challenges.



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## **IV. PROJECT MANAGEMENT**

### **4.1 Cost Efficiency and Effectiveness**

The project is designed to utilize the experience of different UNDP units. Primarily, it will build on the extensive experience of the UNDP Inclusive Growth Unit and the Accelerator Lab in supporting the SIBs sector. It will also connect to the institutional capacity and expertise of the Governance and Participation Unit, on matters related to inclusiveness, business and human rights, and the Climate Change and Environment Unit, on fostering the growth of green businesses and the adopting of the circular economy principles. The collaboration across units will allow for cost-sharing in terms of monitoring and procurement costs, delivering cost efficiency.

The project will make use of data already produced and available at UNDP, such as data generated as part of the Viet Nam Provincial Governance and Public Administration Performance Index (PAPI), the largest survey on citizen's feedback on public administration reform, with over 14,000 surveyed each year. The project will also build on the 2018 UNDP report, 'Fostering the Growth of the Social Impact Business Sector in Viet Nam', which is the largest survey conducted of the SIB sector in Viet Nam, with over 500 respondent businesses. By building on previously collected datasets, and adapting current surveys, the project will ensure cost efficiencies by not requiring significant investments in data collection. The project is fortunate to receive additional support through the Accelerator Lab to reach the outlined outcomes, including the engagement of the Impact Aim team focusing on impact investment. The parallel interventions running in different localities have been designed in such a way that these will inform UNDP's portfolio management approach.

### **4.2 Project Management**

The project will be implemented in the DIM - NIM mixed mechanism. UNDP will directly implement the Output 1 and Output 2. AED, MPI will directly implement the Output 3. The project will be implemented in several sites, including Ha Noi, Ho Chi Minh City, Da Nang as focal cities for the three regional SIB intermediary networks and other provinces to be chosen later for the local-level policy experimentation.

### **UNDP standard management services**

The project's multi-year Work Plan also includes a General Management Support (GMS) charge that covers the costs for UNDP that are not directly attributable to specific projects or services but are necessary to fund

the organization structures, management and oversight costs of UNDP. The GMS is applied to all projects financed by development partners that are implemented by UNDP around the world. A standard 8% of the total project costs is set globally.

## Human Resources for project management support & UNDP Direct Technical Guidance and support

Figure 3 (below) presents the detailed programmatic resources to achieve the delivery of the project in line with UNDP principles of full transparency. UNDP will assign staff on a part-time basis as follows: Quality Assurance, A Project Manager, a Gender Officer, a Communication Assistant, an Accelerator Lab Specialist and a Project Assistant. All anticipated programmatic and operational costs to support this project have been identified and estimated. This includes both costs for activities that require technical support, as well as support costs.

Figure 3: Human Resources

Position	Key functions
Technical Lead, Quality Assurance (ARR, PO)	<ul style="list-style-type: none"> <li>● Providing quality assurance and coordinating project work within UNDP and with the Donor and relevant stakeholders</li> </ul>
Project Manager	<ul style="list-style-type: none"> <li>● Project Management (oversight of project implementation and monitoring of project progress, reporting)</li> </ul>
Gender Specialist	<ul style="list-style-type: none"> <li>● Providing technical expertise on gender aspects</li> </ul>
Communication Assistant	<ul style="list-style-type: none"> <li>● Conducting communication campaigns, reporting on events, public relations and media relations</li> </ul>
Accelerator Lab Specialist	<ul style="list-style-type: none"> <li>● Partnerships development; policy experimentation development; capacity building on local SIB governance systems</li> </ul>
Project Assistant	<ul style="list-style-type: none"> <li>● Project operation tasks (procurement, recruitment, travel, contracts, grants...) and support project implementation</li> </ul>



## V. RESULTS FRAMEWORK<sup>65</sup>

### Intended Outcome as stated in the Country Programme Results and Resource Framework

#### ONE UNITED NATIONS STRATEGIC PLAN OUTCOME (2017-2021):

Outcome 1.1: inclusive and equitable social protection systems and poverty reduction services.

Outcome 2.1: accelerating transition to low-carbon and green development, and enhancing adaptation and resilience to climate change and natural disasters, with a focus on empowering the poor and vulnerable groups

Outcome 4.1: participatory and transparent decision-making processes and accountable institutions

### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets

#### UNDP Country Programme (2017-2021):

Outcome 1: Poverty eradication and greater socio-economic equity by enabling 300 SIBs and intermediaries to provide support for vulnerable groups by creating jobs for them and delivering essential services.

Outcome 2: Low-carbon, resilience and environmentally sustainable development through supporting and scaling-up activities of SIBs that focus on addressing environmental protection and climate change challenges and by supporting the development SIB business plans that integrate environmental and climate change issues.

Outcome 3: Institutional accountability, people's voice and access to justice and increasing women's participation in decision-making and representation in leadership positions, through dedicated support to and capacity building on women-led SIBs and by increasing the number of gender responsive policies relevant to SIBs in Viet Nam.

### Applicable Output(s) from the UNDP Strategic Plan:

#### The project clearly responds to development settings in UNDP's Strategic Plan (2018-2021):

- Eradicating poverty in all its forms and dimensions, by improving the effectiveness of SIBs, especially those led by women and vulnerable groups, to address the social and gendered impacts of COVID-19 and to accelerate the achievement of the SDGs
- Building resilience to shocks and crises, by strengthening the regulatory environment for SIBs to be more gender-responsive, inclusive and transparent, thereby supporting the resilience of SIBs to COVID-19 impacts.

These objectives also strongly link with signature solutions on keeping people out of poverty SP RRF indicator 1.1.2: number of countries with an improved enabling environment for expansion of decent work and livelihood and Strengthen gender equality and the empowerment of women and girls SP RRF indicator 1.6.1: number of key measures in place that set and monitor progress towards numeric targets for women's leadership in the: a) Public sector b) Private sector c) Not-for-profit sector.

**Project title and Atlas Project Number:** Leveraging Viet Nam's Social Impact Business Ecosystem in Response to COVID-19 (ISEE-COVID), Atlas Project number: 00116470

At the moment, there is limited information and data on SIBs, especially on the number of businesses led by women and other vulnerable groups (EMs/PWDs/LGBTQI+) as well as the percentage of women and vulnerable people in SIBs' workforce. The project prioritizes women and wherever possible in the following results framework, targets 60% of women (and women-

<sup>65</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

led) as well as 60% EM women, 60% women with disabilities and 60% LGBTQI+ women to receive benefits from SIBs. At the start of the project in 2021, UNDP will conduct a series of surveys to collect data and information to set up concrete baselines and targets for these vulnerable groups (EMs/PWDs/LGBTQI+) accordingly. Figures provided in this Result Framework are provisional

OUTCOMES	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS				DATA COLLECTION METHODS & RISKS/ NOTES JUSTIFICATIONS
			VALUE	Year	2022	2023	2024	TOTAL	
<b>Ultimate outcome</b>  <b>Increased resilience to COVID 19 of vulnerable groups, including women and girls in Viet Nam through support to SIBs and the supporting ecosystem</b>	Number of vulnerable people, segregated by female/male and by other vulnerable groups (EMs/PWDs/LGBTQI+ and EM women/women with disabilities/LGBTQI+women), having jobs and livelihood created by SIBs	CSIE and UNDP report on SIBs; GSO; Project 844 & Project 1362 reports; Project baseline survey; Project evaluation report	NA	2021	3000	3000	3000	9000 (60% women /40% men %EMs (60% EM women), %PWDs (60% women with disabilities), %LGBTQI+ (60% LGBTQI+ women))	<i>Assume that 300 SIBs will participate in the project (look below in Intermediate outcome 1)</i>  <i>Assume that each SIBs will create 30 jobs and livelihood for vulnerable groups (SIBs can create jobs and livelihood for not only their employees but also for those that are in their supply chain's workforce).</i>  Disaggregated data on ethnic minority, people with disabilities, etc is not available, therefore, an in-depth analysis on gender aspects of SIBs (e.g. number of women-led SIBs and number of women in the SIB workforce, women with disabilities, ethnic minority women, etc.) would be carried right at the beginning of the project
	Level of income increase for vulnerable people that work for SIBs or belong to the workforce of SIBs' supply chain		NA	2021	N/A	N/A	N/A	5% compared to 2021	
<b>Intermediated outcome</b>	Total number of SIBs, segregated by women-	Project baseline survey; Project	NA	2021	100	100	100	300	<i>Assume that around 100 SIBs participate in the project per years, hence after 3 years, there will</i>

<p><b>1: Improved effectiveness of SIBs, especially those led by women and vulnerable groups, to address the social and gendered impacts of COVID-19 and help achieve the SDGs</b></p>	<p>led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women),which directly benefit from the project</p>	<p>evaluation report</p>						<p>(60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60%led by LGBTQI+ women)</p>	<p><i>be 300 SIBs participating in the project. These are the SIBs that directly participate and benefit from the project.</i></p> <p><i>It is expected a large number of SIBs would benefit from the improved SIB ecosystem</i></p> <p><i>Assume that 30% of SIBs participating in the program will benefit from revenue increase (this is based on experience of interviewed incubators &amp; accelerators)</i></p>
	<p>Number of SIBs (participating in the project, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women), have revenue increased</p>		<p>NA</p>	<p>2021</p>	<p>30</p>	<p>30</p>	<p>30</p>	<p>90 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)</p>	<p><i>Assume that 30% of SIBs will have plans to cope with COVID-19 and future shocks.</i></p>
	<p>Number of SIBs participating in the project, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women), that have plans to cope with COVID-19 and future shocks (%)</p>		<p>NA</p>	<p>2021</p>	<p>30</p>	<p>30</p>	<p>30</p>	<p>90 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)</p>	

<b>2: Strengthened gender-responsive, inclusive and transparent regulatory environment to support the resilience of SIBs, especially those led by women and vulnerable groups, to address COVID-19 impacts</b>	Number of gender responsive policies having SIBs included in Viet Nam (national and provincial level)	CSIE and UNDP report on SIBs; Project baseline survey; Project evaluation report	NA	2021	0	2	2	4	<i>This number is based on 2 identified avenues to influence policy for SIBs (under MOST and MPI) in the beginning and once the project supports policy experiments in 2 other provinces, they will also build provincial policies to support SIBs</i>	
	Establishment of an annual policy dialogue on SIB development that engage voices from women leaders and women beneficiaries of SIBs	Project report	NA	2021	N/A	N/A	N/A	Annual dialogue system on SIBs (50% women participation in dialogues)		
<b>Immediate outcome</b> <b>1: Improved capacity of SIBs, especially those led by women and vulnerable groups, on sustainable business development and financing</b>	Number of entrepreneurs from SIBs participating in the project, segregated by female/male and by other vulnerable groups (EMs/PWDs/LGBTQI+ and EM women/women with disabilities/LGBTQI+women), that improve understanding of sustainable business development, and financing in response to crises like COVID-19	Project's SIB report	0	2021	70	70	70	210 (60% female /40%men-led %EMs (60% EM women), %PWDs (60% women with disabilities), %LGBTQI+ (60% LGBTQI+ women))	<i>Assume each SIB has at least 1 entrepreneur participating in the project, among which 70% improve their capacity on sustainable business development and financing</i>	
	Number of business plans by SIBs integrating gender issues		0	2021	35	35	35	105		<i>Assume at least 50% of SIBs (105) have business plans that consider gender, environmental and climate change issues</i>
	Number of business plans by SIBs integrating environmental and climate change issues		0	2021	35	35	35	105		<i>Assume that each SIB has 1 business plan</i>

<b>2: Improved ecosystem of intermediaries supporting SIBs, especially those led by women and vulnerable groups</b>	Number of intermediaries benefiting from the project	Project's intermediary report	0	2021	10	10	10	30	<p><i>There are almost 30 SIB intermediaries in Viet Nam (according to CSIE and UNDP's report). Assume that 2/3 (20) will join the SIB intermediary network, and each year the network will add 5 more members.</i></p> <p><i>Assume at least 1/2 of intermediaries (15) have on average 3 services each that are designed and delivered for SIBs with integration of gender, environmental and climate change issues.</i></p> <p><i>Assume each intermediary has at least 1 leader participating in the project, among which 70% improve their capacity on supporting SIBs</i></p>
	Number of intermediaries' services that are designed and delivered with integration of gender issues		0	2021	15	15	15	45	
	Number of intermediaries' services that are designed and delivered with integration of environmental and climate change issues		0	2021	15	15	15	45	
	Number of intermediaries' leaders participating in the project, segregated by female and male, improve their capacity on supporting SIBs		0	2021	7	7	7	21 (60% female)	
<b>3: Strengthened capacity of government policymaking that enables SIBs to be gender-responsive, inclusive and transparent</b>	Number of government officials benefiting from the project, segregated by female and male	Project's policy advocacy report	0	2021	60	60	60	180 (50% female)	<p><i>The project targets 60 government officials per year participating in the project.</i></p> <p><i>Assume 100% of them improve their understanding about supporting SIBs as well as the gender, environmental and climate change aspects of SIBs</i></p>
	Number of government officials (participating in the project), segregated by female and male, with		0	2021	60	60	60	180 (50% female)	



	improved understanding on SIBs								
	Number of government officials (participating in the project), segregated by female and male, with improved understanding of the gender equality and women empowerment		0	2021	60	60	60	180 (50% female)	
	Number of government officials participating in the project, segregated by female and male, with increased understanding of environmental protection and climate change		0	2021	60	60	60	180 (50% female)	
<b>Output</b>  <b>1.1 Access to business development services improved for SIBs, especially those led by women and vulnerable groups</b>	1.1.1.1  Number of SIBs benefiting from the SIB Hub, general capacity building program, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)	Project's SIB Report	0	2021	50	50	50	150 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	<i>This is based on suggestion of SIB intermediaries in the interviews that 50 SIBs per capacity building program is a sufficient number that ensures the quality of the program (too many will make it too diluted and the experts cannot pay attention to individual needs)</i>  <i>Gender, environmental and climate change issues are integrated into capacity building program</i>

<p>1.1.1 To build capacity on business development and establishment of the SIB Hub</p> <p>1.1.2 To provide seed -funding for business development</p> <p>1.1.3 To provide market access support</p>	<p>1.1.1.2 Level of gender issues integrated in the capacity building program</p>		0	2021	N/A	N/A	N/A	100%	<p><i>A similar indicator is used for Output 1.2</i></p>
	<p>1.1.1.3 Level of environmental and climate change issues integrated in the capacity building program</p>		0	2021	N/A	N/A	N/A	100%	
	<p>1.1.2.1</p> <p>Number of SIBs participating in the incubation program and receive seed-funding, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)</p>		0	2021	6	6	6	18 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	<p><i>The incubation program targets 6 SIBs per year and gives priorities to those that have business plans with integration of gender, environmental and climate change issues</i></p> <p><i>A similar indicator is used for Output 1.2</i></p>
	<p>1.1.2.2</p> <p>Number of SIBs participating in the acceleration program and receiving seed-funding, that have business plans with gender issues integrated</p>		0	2021	3	3	4	10	

	<p>1.1.2.3</p> <p>Number of SIBs participating in the acceleration program and receiving seed-funding, that have business plans with environmental and climate change issues integrated</p>		0	2021	3	3	4	10	
	<p>1.1.3.1</p> <p>Number of SIBs having business deals on online platforms, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)</p>		0	2021	10	10	10	30 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	<i>The project targets 10 SIBs per year will be supported to open the shops on the online platform</i>
<p><b>1.2. Access to finance improved for SIBs, especially those led by women and vulnerable groups</b></p> <p>1.2.1 To build capacity building for accessing finance</p> <p>1.2.2 To provide seed-funding to attract investment</p>	<p>1.2.1.1</p> <p>Number of SIBs participating in general capacity building program, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)</p>		0	2021	50	50	50	150 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	

1.2.3 To convene investment matching for participating SIBs	1.2.2.1 Number of SIBs participating in the acceleration program and receiving seed-funding, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)	0	2021	6	6	6	18 (60% women-led / %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)
	1.2.2.2 Number of SIBs participating in the acceleration program and receiving seed-funding, that have business plans with integration of gender issues	0	2021	3	3	4	10 (5 women led, 5 men led))
	1.2.2.3 Number of SIBs participating in the acceleration program and receiving seed-funding, that have business plans with integration of environmental and climate change issues	0	2021	3	3	4	10

	1.2.3.1 Number of meetings and connections with investors and funding agencies made for SIBs, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)		0	2021	50	50	50	150 (60% women-led /40%men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	<i>Assume that each of the 50 SIBs participating in the capacity building program will be able to match with at least 1 investor or funding agency that is suitable for them</i>
<b>Output</b>  <b>2.1 A network of SIB intermediaries established and implemented, with a focus on supporting SIBs led by women and vulnerable groups</b>  2.1.1 To establish and maintain a national SIB-support network	2.1.1.1 A network for SIB intermediaries established whose agenda includes the response to crises such as COVID-19, established	Project's Intermediary Report	0	2021	N/A	N/A	N/A	01 network established	
	2.1.1.2 Number of SIBs network members		0	2021	35	35	30	100	
	2.1.1.3 An impact measurement and management (IMM) framework is built for SIBs		0	2021	N/A	N/A	N/A	1 IMM framework	<i>Assume that each year 20 SIBs participate in IMM training and apply IMM in their businesses</i>

	2.1.1.4		0	2021	20	20	20	60 (60% women-led /40% male led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	<i>Assume that 1/3 of SIBs participating in IMM training will be accredited as high impact</i>
	2.1.1.5		0	2021	N/A	N/A	5- 10	5-10  (60% women-led, 40% men-led)	
<b>2.2 Capacity building programs and support delivered to existing SIB intermediaries, especially those supporting SIBs led by women and vulnerable groups</b>  2.2.1 To provide technical assistance and grants to existing SIB intermediaries	2.2.1.1	Number of existing intermediary organizations selected for the 1-on-1 coaching program	0	2021	5	5	5	15	<i>The technical assistance and grants program targets 5 existing intermediaries per year selected for the 1-on-1 coaching and grants and gives priorities to those that have services with integration of gender, environmental and climate change issues</i>  <i>For the SIB Innovation Champion capacity building program, the project targets 10 Champions per year</i>
	2.2.1.2	Number of impact intermediaries selected for the 1-on-1 coaching program, that design and provide services with integration of gender issues	0	2021	2	3	3	8	
	2.2.1.3	Number of impact intermediaries selected for the 1-on-1 coaching program and receiving	0	2021	2	3	3	8	

	grants, that design and provide services with integration of environmental and climate change issues								
	2.2.1.4 Number of SIB Innovation Champions participating in the program, segregated by female/male and by other vulnerable groups (EMs/PWDs/LGBTQI+ and EM women/women with disabilities/LGBTQI+women)		0	2021	10	10	10	30 (60% female /40% male %EMs (60% EM women), %PWDs (60% women with disabilities), %LGBTQI+ (60% LGBTQI+ women))	
	2.2.1.5 Level of gender issues integrated in the capacity building programs		0	2021	N/A	N/A	N/A	100%	
	2.2.1.6 Level of environmental and climate change issues integrated in the capacity building programs		0	2021	N/A	N/A	N/A	100%	
<b>2.3 Incentives given to new intermediaries and mainstream intermediaries having new integrated impact programs</b>	2.3.1.1 Number of new and mainstream intermediaries selected for the 1-on-1 coaching program		0	2021	5	5	5	15	<i>The technical assistance and grants program targets 5 new intermediaries per year and gives priorities to those that have services with integration of gender, environmental and climate change issues</i>

2.3.1 To provide technical assistance and grants to new and mainstream intermediaries to service SIBs	2.3.1.2 Number of new and mainstream intermediaries selected for the 1-on-1 coaching program and receiving grants, that design and provide services with integration of gender issues		0	2021	2	3	3	8	
	2.3.1.3 Number of new and mainstream intermediaries selected for the 1-on-1 coaching program and receiving grants, that design and provide services with integration of environmental and climate change issues		0	2021	2	3	3	8	
<b>Output</b> <b>3.1 Capacity building program designed and delivered to the government on supporting SIBs, with a focus on gender responsiveness</b> 3.1.1 To provide technical assistance for government officials	3.1.1.1 Level of gender issues integrated in the capacity building program	Project's Policy Advocacy Report	0	2021	N/A	N/A	N/A	100%	
	3.1.1.2 Level of environmental and climate change issues integrated in the capacity building program		0	2021	N/A	N/A	N/A	100%	



<p><b>3.2 Policy support delivered to the government to build a gender-responsive, inclusive and transparent regulatory framework to support SIBs</b></p> <p>3.2.1 To support policy design and implementation to recognize and support SIBs</p>	<p>3.2.1.1 Percentage of participations in the policy consultation workshops that are women leaders and women beneficiaries of SIBs, SIB intermediaries and other stakeholders</p>		0	2021	N/A	N/A	N/A	60%	<p><i>This component aims to build a gender-responsive, inclusive and transparent regulatory framework, hence the majority of participation in policy consultation workshop need to be women</i></p>
<p><b>3.3 Policy experimentation on supporting SIBs carried out in the provincial level, with a focus on gender responsiveness</b></p> <p>3.3.1 To raise the awareness of local government officials</p> <p>3.3.2 To create a portfolio of policy experiments in selected provinces</p>	<p>3.3.1.1 Number of local government officials participating in the capacity building program, segregated by female and male</p>		0	2021	30	30	30	90 (60% female, 40% male)	<p><i>The project targets 30 local government officials to participate in the capacity building program each year for 3 years</i></p> <p><i>Assume 70% of them improve their understanding of SIBs</i></p> <p><i>Assume each year, there are 20 local SIBs participate in the experiments at provincial level</i></p>
	<p>3.3.1.2 Number of local government officials, segregated by female and male, with improved their understanding of SIBs</p>		0	2021	20	20	20	63 (60% female, 40% male)	
	<p>3.3.2.1 Number of SIBs participating in the experiments, segregated by women-led/men-led and by EMs-led/PWDs-led/LGBTQI+ led (which are further segregated by EM women/women with disabilities/LGBTQI+ women)</p>		0	2021	20	20	20	60 (60% women-led /40% men-led %EMs-led (60% led by EM women), %PWDs-led (60% led by women with disabilities), %LGBTQI+ led (60% led by LGBTQI+ women)	

## VI. MONITORING AND EVALUATION

### 6.1 Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	AED	N/A
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. This includes the monitoring field trips.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	AED	33,965
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	AED	N/A

<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	AED	N/A
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	Annually	Performance data, risks, lessons and quality will be discussed by the Project Board and used to make course corrections.		N/A
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Baseline report at the beginning of the project, Annual report, and at the end of the project (final report)	Publishing the reports as the knowledge sharing, using the data in planning for project	AED	75,664
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., Project Board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the Project Board and management actions agreed to address the issues identified.	AED/MPI, Canadian Embassy	N/A

## VII. MULTI-YEAR WORK PLAN <sup>6667</sup>

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (USD)				RESP ONSI BLE PART Y	PLANNED BUDGET (USD)		
		2021 Apr-Dec	2022 Jan -Dec	2023 Jan-Dec	2024 Jan-Apr		Funding Source	Budget Description	Amount
<b>Outcome 1: Improved capacity of SIBs, especially those led by women and vulnerable groups, on sustainable business development and financing</b>		11,500	452,843	337,291	190,419	UNDP	DFATD		992,053
<b>Output 1.1:</b> Access to business development services improved for SIBs, especially those led by women and vulnerable groups  <i>Gender marker: 02.</i> <i>-01 training topic on gender equality and women empowerment.</i> <i>-02 Grants will be provided to support actual needs of 3 women-led SIBs per year</i>	<b>Activity 1.1.1 Build capacity on business development:</b> <ul style="list-style-type: none"> <li>- Introduce a general capacity building program on business development (each course lasts 3 days, 25 people per course, repeated 2 times).</li> <li>- Establishment of the SIB Hub (a centralized data collection point of the SIB ecosystem)</li> <li>- Develop, organize training and coaching on Impact Measurement and Management for SIBs</li> </ul>	10,000	145,191	145,191	52,613	UNDP	DFATD	-Trainer (NC/IC) - Coach (IC) - Consultants (NC/IC) - Logistic	352,995

<sup>66</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>67</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

<p><i>-At least 50% of supported SIBs will be women-led. The support program will be based on actual needs of women-led SIBs.</i></p>	<p><b>Activity 1.1.2 Provide seed-funding for business development:</b></p> <ul style="list-style-type: none"> <li>Select, manage and disperse a seed-funding grants for SIBs (USD 7,628 = CAD 10,000 * 6 SIBs *3 years)</li> </ul>	0	91,533	45,767	38,139	UNDP	DFATD	- Grants	175,439
	<p><b>Activity 1.1.3. Provide market access support:</b></p> <ul style="list-style-type: none"> <li>Organize promotion campaign to raise consumer awareness of SIB products and services (1 programme)</li> <li>Promote SIB products and services E-commerce platforms to support SIBs' online sales (partner with 1 platform per year)</li> <li>Communication expert for coordinate the online campaign, advise to the whole project</li> </ul>	0	47,382	47,382	14,562	UNDP	DFATD	- Contracts - Consultants	109,325
	<b>Sub-Total for Output 1.1</b>								<b>637,759</b>
<p><b>Output 1.2:</b> Access to finance improved for SIBs, especially those led by women and vulnerable groups</p> <p><i>Gender marker: 02.</i></p> <p><i>- 01 training topic on gender equality and women empowerment. Will take around 01 day in a course.</i></p> <p><i>-Coaching program will be tailored made for 3 women-led SIBs.</i></p>	<p><b>Activity 1.2.1 Build capacity for accessing finance:</b></p> <ul style="list-style-type: none"> <li>Establish and implement a general capacity building program on access to finance (each course lasts 3 days, 25 people per course, repeated 2 times per year)</li> </ul>	0	3,000	3,000	3,153	UNDP	DFATD	-Trainer (NC/IC) - Coach (IC)	9,153
	<p><b>Activity 1.2.2 Provide seed-funding to attract investment:</b></p> <ul style="list-style-type: none"> <li>Manage and provide grants to help SIBs to improve their businesses and increase their readiness for</li> </ul>	0	159,737	89,952	81,952	UNDP	DFATD	Grants Consultants (NC)	331,641

<p>- 3 grants will support actual needs of women-led SIBs</p> <p>-1 in 3 events will specifically target women-focus investing.</p>	<p>investment (USD 10,297= CAD 13,500 * 6 SIBs * 3 years)</p> <ul style="list-style-type: none"> <li>- Gender consultant to ensure gender mainstream in selecting and giving process</li> <li>- Publish training documents of the Output 1, publish videos for showcasing the successful stories</li> </ul>								
	<p><b>Activity 1.2.3. Convene investment matching for participating SIBs:</b></p> <ul style="list-style-type: none"> <li>- Networking/matching activities (3 events per year)</li> </ul>	1,500	6,000	6,000	0	UNDP	DFATD	-Consultant (NC) -Logistics	13,500
	<b>Sub-Total for Output 1.2</b>								<b>354,294</b>
<b>Outcome 2: Improved ecosystem of intermediaries supporting SIBs, especially those led by women and vulnerable groups</b>		<b>21,432</b>	<b>244,064</b>	<b>153,527</b>	<b>48,825</b>				<b>467,848</b>
<p><b>Output 2.1:</b> A network of SIB intermediaries established and implemented, with a focus on supporting SIBs led by women and vulnerable groups</p> <p><i>Gender marker: 02</i></p> <p>- 1 / 3 grants will have gender focus (e.g activities for women-led SIBs and their supporting intermediaries).</p>	<p><b>Establish and maintain a national SIB-support network:</b></p> <ul style="list-style-type: none"> <li>- 1 provincial level event for 3 regions per year</li> <li>- 1 national event per year</li> <li>- Grants for network activities (CAD 15,000= USD 11,442 * 3 grants * 3 years)</li> </ul>	18,000	55,825	44,825	48,825	UNDP	DFATD	-Event organizing -Travel cost (for provincial participants) -Grants	167,475
	<b>Sub-Total for Output 2.1</b>								<b>167,475</b>

<p><b>OUTPUT 2.2:</b> Capacity building programs and support delivered to existing SIB intermediaries, especially those supporting SIBs led by women and vulnerable groups</p> <p><i>Gender marker: 02.</i></p> <p><i>-1 day of general training will focus on gender equality and women empowerment</i></p> <p><i>-Coaching program will be tailored made for 3 intermediaries that promote gender equality and women's empowerment.</i></p> <p><i>-At least 1/3 of training materials will be women-focused topics</i></p> <p><i>-3 grants will be specifically made for intermediaries that promote gender equality and women's empowerment</i></p>	<p><b>Provide technical assistance and grants to existing SIB intermediaries</b></p> <ul style="list-style-type: none"> <li>- Develop and implement a capacity building program for intermediary organizations (one 2-days training per year for 25 people)</li> <li>- 1-1 coaching (5 organization once per 2 weeks for 6 months)</li> <li>- Introduce and implement capacity building program for SIB Innovation Champions</li> <li>- 1-on-1 coaching for 10 Champions (meet once per 2 weeks for 6 months)</li> <li>- Bootcamp (5 days, 1 per year)</li> <li>- Publish the training materials, videos for case studies</li> </ul>	0	171,077	98,404	0	UNDP	DFATD	<ul style="list-style-type: none"> <li>-Trainer (NC/IC)</li> <li>-Event organizing</li> <li>-Travel cost Coach (IC)</li> <li>-Trainer (IC)</li> <li>-Event organizing</li> <li>-Travel cost</li> <li>-Coach (IC)</li> </ul>	269,481
		<b>Sub-Total for Output 2.2</b>							<b>269,481</b>
<p><b>Output 2.3:</b> Incentives given to new and mainstream intermediaries having new integrated impact programs.</p> <p><i>Gender marker: 02.</i></p> <p><i>-Half of the networking activities will be tailored-made for intermediaries focusing on women.</i></p>	<p><b>Provide technical assistance and grants to new and mainstream intermediaries to service SIBs:</b></p> <ul style="list-style-type: none"> <li>- Engage new an intermediaries, build their capacity on supporting the SIB sector, including their specific situation and needs during COVID-19.</li> <li>- Networking activities (3 per year)</li> <li>- 1-1 meeting for coaches (master coach meet once per 2 weeks for 6 months for 5 teams)</li> </ul>	3,432	17,162	10,298	0	UNDP	DFATD	<ul style="list-style-type: none"> <li>-Event organizing</li> <li>- Coach (IC)</li> <li>- Grants</li> </ul>	30,892

<p>- Half of the coaching sessions will be tailored-made for intermediaries focusing on women</p> <p>- Half of the grants will be tailored-made for intermediaries focusing on women</p>		<b>Sub-Total for Output 2.3</b>						<b>30,892</b>	
<b>OUTCOME 3: Strengthened capacity of government policymaking to that enables SIBs to be gender-responsive, inclusive and transparent</b>		22,883	176,049	103,280	20,595	AED	DFATD		<b>322,807</b>
<p><b>Output 3.1:</b> Capacity building program designed and delivered to the government on supporting SIBs, with a focus on gender responsiveness</p> <p><i>Gender marker: 02.</i></p> <p><i>-At least half of the training topics will be women-focused</i></p> <p><i>-At least half of the action research and consultation activities will be women-focused</i></p>	<p><b>Provide technical assistance to government officials</b></p> <ul style="list-style-type: none"> <li>- Provide government officials with a comprehensive understanding of the SIB sector through identification of best practices for SIB support &amp; policies and relevant aspects of implementation, especially on policy to support SIBs' resilience to COVID-19 and other shocks</li> <li>- One training per year (2 days for 30 people)</li> <li>- Action Research &amp; Consultation</li> </ul>	0	22,883	11,442	0	AED	DFATD	-Trainer (NC/IC) -Event organizing -Travel cost	<b>34,325</b>
	<b>Sub-Total for Output 3.1</b>							<b>34,325</b>	
<p><b>Output 3.2:</b> Policy support delivered to the government to build a gender-responsive, inclusive, and transparent regulatory framework to support SIBs</p> <p><i>Gender marker: 02.</i></p>	<p><b>Support policy design and implementation to recognize and support SIBs</b></p> <ul style="list-style-type: none"> <li>- Define inclusive businesses and design relevant incentives for them through a review of (i) the Draft Revision of Project 844 (under NATEC, MOST), which this project</li> </ul>	22,883	59,497	0	0	AED	DFATD	-NC/IC -Event organizing	<b>82,380</b>



<p><i>-At least half of the policies will be gender-responsive</i></p>	<p>could advocate to include a section on social impact start-ups; and (ii) the Draft Decision to support sustainable and inclusive businesses, guiding the implementation of Decision 1362 (under AED, MPI).</p> <ul style="list-style-type: none"> <li>- 2 Demand-based policy reports and publication</li> <li>- Organize 3 Consultation workshops for each report</li> <li>- Organize 01 national dialogue</li> <li>- Publish the report, short videos on summary of report</li> </ul>								
	<p><b>Sub-Total for Output 3.2</b></p>								<p><b>82,380</b></p>
<p><b>Output 3.3:</b> Policy experimentation on supporting SIBs carried out at the provincial level, with a focus on gender responsiveness</p> <p><i>Gender Marker 02</i></p> <p><i>- At least half of the participants in experimentation will be women-led SIBs, with pilot program specifically tailor-made for them</i></p>	<p><b>Activity 3.3.1 Raise the awareness of local government officials</b></p> <ul style="list-style-type: none"> <li>- Raise awareness and understanding of local government officials on SIBs and the SIB ecosystem in the local context to better benchmark and align policy implementation.</li> <li>- Awareness raising workshops &amp; activities (2 days, 2 provinces each year)</li> </ul>	<p>0</p>	<p>12,815</p>	<p>6,407</p>	<p>0</p>	<p>AED</p>	<p>DFATD</p>	<p>-National Consultant to help design SIB strategy (2 provinces) -Event organizing -Travel cost -NC/IC</p>	<p>19,222</p>
	<p><b>Activity 3.3.2 Create a portfolio of policy experiments in selected provinces:</b></p> <ul style="list-style-type: none"> <li>- Support provinces in building strategies to develop the SIB sector, as well as testing strategies using an experimental approach.</li> <li>- SIB strategy design in 2 provinces</li> </ul>	<p>0</p>	<p>80,854</p>	<p>85,431</p>	<p>20,595</p>	<p>AED</p>	<p>DFATD</p>		<p><b>186,880</b></p>

	<ul style="list-style-type: none"> <li>- 3 experimentation activities in 2 provinces province</li> <li>- Summary report of best practices</li> </ul>								
	<b>Sub-Total for Output 3.3</b>								<b>206,102</b>
<b>Evaluation and monitoring (as relevant)</b>	<ul style="list-style-type: none"> <li>- Base-line ecosystem report</li> <li>- Evaluation ecosystem report</li> <li>- International Consultant to support with reports</li> <li>- Publish 2 reports</li> <li>- Monitoring Activities (UNDP's staffs travel for all activities of project in 3 years)</li> </ul>	18,256	11,491	11,491	68,392	UNDP	DFATD	-NC/IC -IC -Event organizing -Travel	109,629
<b>Auditing</b>	<ul style="list-style-type: none"> <li>- Micro assessment</li> <li>- Spot checks</li> </ul>	3000	4000	3000	2000	UNDP	DFATD	- Audit	12,000
<b>Estimated Implementation Support Services (ISS)</b>		3,000	10,000	8,000	5,623	UNDP	DFATD		26,623
<b>Project management &amp; Technical inputs<sup>68</sup></b>	Project Manager Project Assistant Technical inputs DPC	35,975	75,471	116,290	40,696	UNDP	DFATD		268,432
<b>General Management Support</b>		9,284	77,913	58,630	30,124				175,951
<b>Activity Total</b>		125,329	1,051,831	791,509	406,673				2,375,343
<b>UN 1% Coordination Levy</b>		23,593	0	0	0				23,593

<sup>68</sup> During the first two years, UNDP Accelerator Lab team contribution will be paid directly by UNDP. From the third year onward, the project will cover these cost.

<b>Salary (in-kind contribution from UNDP)</b>		12,000	12,000	8,000	5,401				37,401
<b>TOTAL (of DFATD contribution, UNDP in kind contribution not included)</b>		<b>148,922</b>	<b>1,051,831</b>	<b>791,509</b>	<b>406,673</b>				<b>2,398,936<sup>69</sup></b>

<sup>69</sup> Amounts in the USD column are calculated using September 2020 UN operational exchange rate, as the same reference rate in the signed Grant Arrangement between UNDP and DFATD. The numbers should be used for reference purpose only.

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## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

### **The Project Board**

The Project Board will include representation from 1) UNDP Senior Management 2) A Senior Official from Agency for Enterprise Development/Ministry of Planning, and Investment 3) Senior Official from DFATD/the Canadian Embassy. Standing invitees include National Agency for Technology and Entrepreneurship and Commercialization Development/Ministry of Science and Technology, members of local government in relevant pilot provinces, leaders of SIB intermediary networks and representatives of SIBs, who may attend meetings, as required.

The Project Board will meet on an annual basis to provide overall strategic guidance in project management implementation through (i) approving Annual Work Plans, (ii) reviewing and approving the project annual progress and financial reports and, (iii) reviewing the project management team's recommendations and suggested lessons learned for making strategic decisions to ensure the smooth implementation and delivery of the project results (iv) Commission evaluations of the projects implementation and results as necessary.

The Project Board will receive quality assurance support from the UNDP Programme Officer/UNDP Assistant Resident Representative. The Project Board and its governance and implementation mechanisms are designed to ensure national leadership and ownership.

### **Role of MPI and AED**

The key roles and responsibilities of the MPI in the project include (i) leading and shaping the development of effective SIBs and intermediaries, to which the project will contribute to, (ii) co-leading the work planning, implementation and monitoring of the relevant components and activities of the project and (iii) ensure the project products will be used by the Government. The project sets out to support the Government in undertaking its wider policies to ensure inclusive growth and an effective private sector where vulnerable groups are not left behind. The project will build on existing strong partnerships with key government agencies, including with the MPI at national level, as well as municipal and provincial government authorities, which will be invaluable for supporting enabling policies for SIBs. The approach will ensure minimal duplication and avoid creation of new structures by utilizing existing arrangements, thereby ensuring that the implementation be cost effective.

The Agency for Enterprise Development under MPI will, as Project Board members, provide inputs to quality assurance the realization of benefits of project results (outputs and deliverables) through relevant policy implementation to achieve the project's outcomes. In carrying out these responsibilities, AED/MPI will facilitate (i) coordination of Government agencies/other national partners, (ii) inputs and endorsement from relevant line ministries and other national partners (as necessary), (iii) identification and implementation of solutions to the problems that may arise during the project implementation.

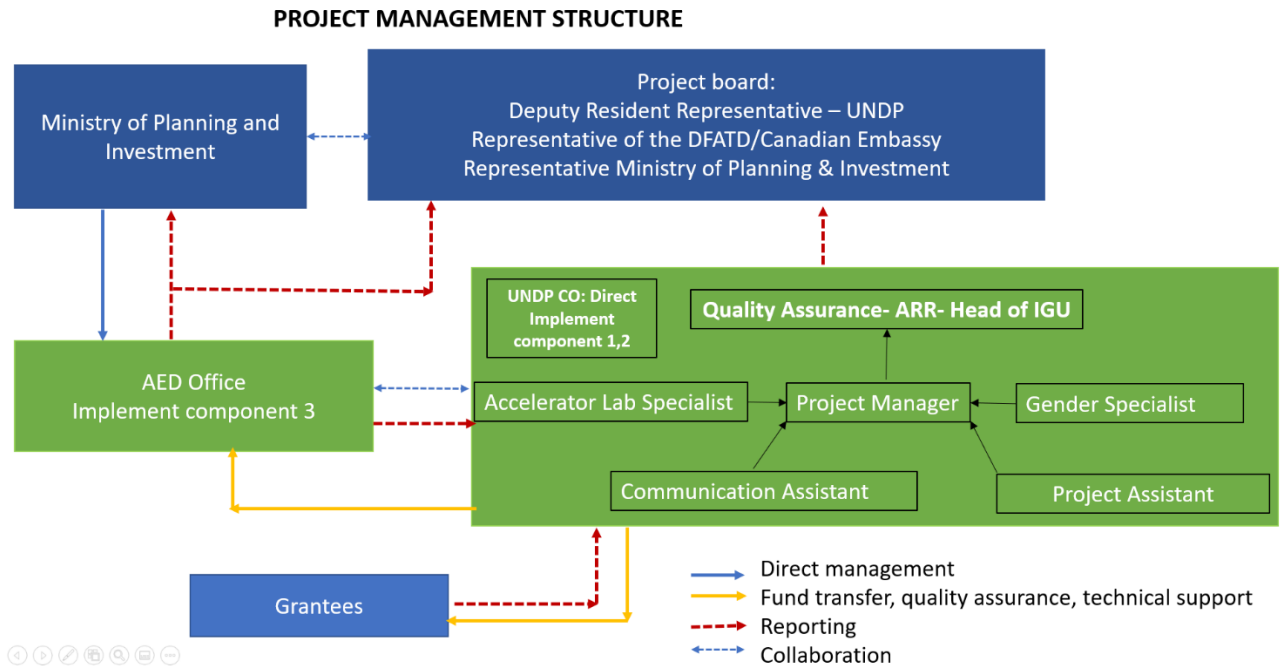
In accordance with the ODA Decree No. 56, AED will serve as a Responsible Parties to the project, who will implement the Output 3. AED will also collaborate with UNDP in coordinating, monitoring the whole project.

### **UNDP team**

The project management team, based in the UNDP Country Office, will have the responsibility to (i) produce key products, progress and financial reports for the Output 1 and 2 and (ii) support and monitor the activities under Output 3 and (iii) make recommendations for the Project Board's decisions. UNDP is directly implementing the Output 1 and 2 of the project under the Multi-Year Work Plan from April 2021 to the end of April 2024. Communication and reporting to the Canadian Embassy will be carried out in accordance with reporting requirements set out in the framework agreement.

TOR for the Project Board in provided in Annex 5.

Figure 4: Project Management Structure



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## IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Viet Nam and UNDP, signed on 15 May 1978. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP, AED/MPI (“Responsible Party”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of a Responsible Party does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## X. RISK MANAGEMENT

### UNDP (DIM) Output 1 and 2

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds<sup>70</sup> are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
  - a. Consistent with the Article III of the SBAA [*for the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

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<sup>70</sup> To be used where UNDP is the Implementing Partner

- i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
- d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
- f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud

or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

#### Government Entity (NIM) Output 3

1. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
  - (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General’s Bulletin ST/SGB/2003/13 of 9 October 2003, concerning “Special measures for protection from sexual exploitation and sexual abuse” (“SEA”).
  - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of



activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment (“SH”). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to

i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP

iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;

iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management,

anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

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## **XI. ANNEXES**

1. Project Quality Assurance Assessment: Design and Appraisal
2. UNDP Social and Environmental Screening note
3. Risk Register Matrix
4. Capacity Assessment AED
5. Terms of Reference: Project Board and Key Management Positions
6. Summary of Stakeholder Interview Insights