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PROJECT DOCUMENT
Viet Nam Country Office

Project Title: Accelerating Private Sector Engagement in Climate Resilient and Low Emission Investment Opportunities in Viet Nam’s NDC.

Project Number: 00121789

Implementing Partner: *The project will be directly implemented by UNDP and will work closely with the existing partners of MARD (Department for International Cooperation – hosting the Partnership for Sustainable Agriculture In Viet Nam – PSAV, Crop Department and IPSARD) , MONRE (Department of Climate Change and IMHEN), the Small and Medium Enterprise Development Fund and the Department of Enterprise Development in MPI, VCCI in MOIT, in two targeted provinces.*

Start Date: 1 Aug 2019

End Date: 31 July 2022

PAC Meeting date: 12 July 2019

Brief Description

To meet its national and Paris Agreement commitments, private sector action is critical in Viet Nam. MPI estimates that 70% of Viet Nam’s \$21 billion total climate change investment needs is expected to come from the private sector. However, this target is not currently on track to be met. The Nationally Determined Conditions (NDC) strategy highlights the key role that private sector finance will need to play beyond more traditional investment but green and innovative investments, such as renewable energy and climate smart business. In addition to supporting the achievement of the country’s mitigation and adaptation goals, the participation of the private sector will help advance the country’s sustainable development objectives, including promoting the more efficient use of natural resources, cutting costs for households and firms, and improving the competitiveness of the economy.

The proposed project aims to advance the private sector engagement in the Viet Nam NDC. Through accessing new facilities and incentives for climate smart and low-carbon operation and investment, the private sector, particularly whose production and supply chains are sensitive to climate impacts, will have opportunities to take their green leaps toward more sustainable business development while actively contribute to reduce the carbon footprints in their operation.

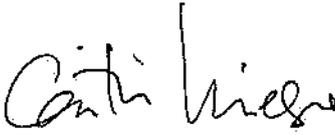
UNDP Viet Nam envisions its action contributing primarily to global NDC programme and its global project “NDC SUPPORT PROGRAMME - NDC FINANCING AND INVESTMENT” with financial support from BMU and the EU. Activities would be undertaken as a DIM project. This project contributes directly to the prioritised actions under Outcome 2 of the UNDP Country Programme Document (CPD) for the period 2017-2021.

The overall objective of the project is to advance the private sector engagement to finance, support and implement technically sound and financially viable risk-informed mitigation and adaptation actions in Viet Nam NDC. Specifically, the change are made through delivering of the four expected outcomes (i) Productivity and Competitiveness of Agriculture Sectors and its supply chains are advanced with sustainable resilient low emission innovations; (ii) Strengthening Platform for Private Sector Innovation and Investments to support technology transfer and track contributions of NDC targets; (iii) Sustainable finance mechanisms established to scale up NDC mitigation and adaptation actions; (iv) Policies and Incentives created to advance private sector engagement in investment opportunities in national plans.

Contributing Outcome (UNDAF/CPD, RPD or GPD): Indicative Output(s) with gender marker ² : GEN2	Total resources required:	2,201,100	
	Total resources allocated:	UNDP TRAC:	
		Donor:	EU: 581,100

		BMZ: 1,620,000
	Government:	Tbc
	In-Kind:	Tbc
Unfunded:		0

Agreed by (signatures):

Government	UNDP
	
Print Name:	Print Name: Caitlin Wiesen, Resident Representative
Date:	Date:

¹ Note: Adjust signatures as needed

² The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

Contents

I.	Development Challenge.....	4
II.	Strategy.....	8
III.	Results and Partnerships.....	11
IV.	Project Management.....	24
V.	Results Framework.....	27
VI.	Monitoring And Evaluation.....	33
VII.	Multi-Year Work Plan.....	35
VIII.	Governance and Management Arrangements.....	39
IX.	Legal Context.....	40
X.	Risk Management.....	40
XI.	ANNEXES.....	42

I. DEVELOPMENT CHALLENGE

The Paris Agreement, which came into force in November 2016, delivers a strong global signal of countries' commitment to transform global economies and lifestyles towards zero carbon footprints. Achieving the ambition of the Agreement in Viet Nam will require increased efforts to ensure that not only Government, but also the private sector have the capacity and ambition to implement accelerated climate action at scale. Viet Nam's Nationally Determined Contribution (NDC) review process is well-underway and expected to be completed by middle 2020. Urgent efforts will be required from across all sectors of the economy and society to meet current, or potentially more stringent national climate change targets.

Along with the opportunity and momentum created by the Paris Agreement comes the important challenge of transforming these NDCs into tangible actions that lead to long term zero-carbon and climate-resilient development. As outlined in Viet Nam's NDC, climate impacts are already putting pressure on development gains, and action to mitigate greenhouse gas emissions must be coupled with stepped up adaptation action to improved resilience of their populations and keep warming to under 1.5% as outlined in the Paris Agreement.

Viet Nam will be unable to meet its national and global climate change commitments without significantly stepped up investment and engagement by the private sector. The business sector in Viet Nam is still very slow in responding to climate change. While global businesses are increasingly adopting sustainable business practices for higher returns of investment, Viet Nam only starts to see sustainable business cases emerge. It is also important to note that 98.5% of the enterprises in Viet are small and medium enterprises, among which many of them are considered micro enterprises². The vast majority of small and medium-sized enterprises (SMEs) are not responsive to the climate impacts and transforming their business models to meet the global challenge. Viet Nam's policy framework for climate action is comparatively well developed and in theory recognizes the essential role of the private sector in promoting coherent climate action. However, while the broad framework for private sector action is in place, there is still work to be done to actively facilitate partnerships and to put in place effective systems and action in reducing GHG emission and accelerating the transformational adaptation solutions in the Viet Nam NDC plan of action. Viet Nam's NDC has made clear that more than 70% of finance for achieving its Paris Agreement targets would need to come from non-government sources, such as the private sector or ODA. There is still a disconnect between financing and action from the private sector to achieve NDC targets, and further action is required to fill this gap.

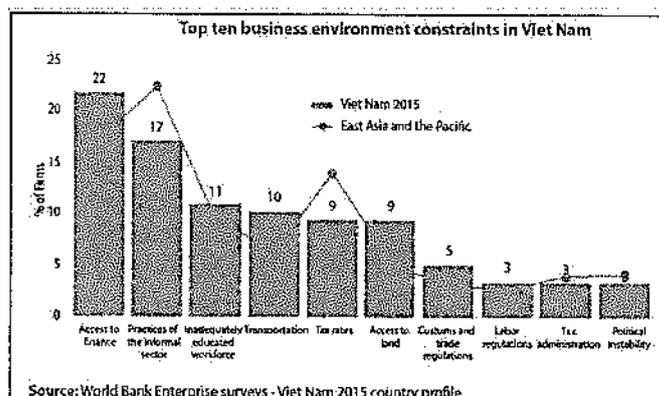
Globally, UNDP has found that limited private sector deployment toward NDC investments to date due to a number of factors including a lack of awareness of:

- *the opportunities afforded by the NDCs;*
- *clear investment criteria and incentives—what qualifies as an NDC investment and how is it supported nationally;*
- *evidence based practices to scale for successful risk-informed NDC investments; and*
- *data underpinning returns and impact over time to support recurring investments.*

Access to finance is the major constraint for the private sector in Viet Nam (World Bank Enterprise Survey 2015). The private sector and informal businesses, particularly SMEs, are at great disadvantage in accessing formal financing. There are limited options and quality of financial services available for the business planning toward sustainable long-term investment options. Regulatory framework supporting more sustainable financing options, particularly for climate actions is missing. With the emerging priority of the Government commitment in the Viet Nam NDC to implement the Paris Agreement, it is important to

² By Enterprise law they are the enterprises who operate with less than 10 persons annually, with total registered capital of less than 10 billion VND, and annual return of less than 10 billion Viet Nam Dong.

establish new and green sustainable finance mechanisms to accelerate the investments of the business sectors to scale up NDC mitigation and adaptation actions.



Graph 1: Top ten business environment constraints in Viet Nam (WB, 2015)

Private sector development policies and programs are still fragmented and particularly lacking incentives for long-term sustainable climate investment. The crosscutting nature of private sector development means that support programs tend to be implemented by a variety of government agencies lacking coordination and coherence. There is also lack of understanding of enterprise needs, which results in poorly targeted initiatives, and low quality and impact of business support programs. In many cases this situation has been further complicated by gaps in the implementation of the legislation to support climate policy, which hinders the enabling environment for investment. Furthermore, weak systems for tracking private sector contributions to climate targets reduce company confidence that contributions to climate targets will be recognized by ‘green’ investors and many SMEs are not aware of the existing business support programs. Although well-intended, government private sector development initiatives are constrained by bureaucracy way of support delivery, and burdensome coordination and implementation processes.

Innovative companies lack incentives and technology options to scale up climate smart businesses and technologies in Viet Nam. Access to advanced technologies, including information and communication technology, in agribusiness, manufacturing and services have yet to be fully exploited. In agriculture sector, for example, numerous pilots and techniques related to Climate Smart Agriculture (CSA) are being implemented in Viet Nam, yet challenges remain with investors to rapidly uptake CSA practices.³ Production lines and export products are still largely concentrated in low technology and low-supply-added industries, with competitiveness based on cost rather than quality. Technology users and suppliers have not access to reliable and transparent data and information to invest and/or transfer green technologies.

The business case for greening agriculture sector in Viet Nam

The reorientation of the Vietnamese economy since the late 1990s has fostered a vibrant, creative private sector underpinned by generally prudent macroeconomic policymaking focused on achieving rapid growth and social stability. This foundation, along with the sheer magnitude of the Vietnamese market and the increasing purchasing power of a population for which poverty rates have tumbled in recent decades, has attracted vast inflows of foreign direct investment (FDI).

Agriculture plays an essential role in the economy of Viet Nam. In 2018, the agriculture sector accounted for 14.57% of Viet Nam’s Gross Domestic Product (GSO, 2019). About 65% of the population of Viet Nam lives in rural areas, with 35.4% reliant on agriculture, fisheries, and forestry as their primary source of income. However, a much larger proportion is dependent on the agricultural sectors for their livelihoods, including informal labour (GSO, 2019).

Agro-businesses, particularly small and medium enterprises, play an essential role in the economy of Viet Nam. According to GSO statistics, in 2017, Viet Nam had 519,000 enterprises and the trend continues to increase in both quantity and quality. 98% of the enterprises are small and medium, among those 2.2% are medium, 29.6% are small and 68.2% are micro enterprises. In a national survey undertaken by MPI SME

³ Nghia 2018

Department in 2018, among 4010 enterprises participated in the survey, 80% of them are small and micro enterprises who are operating in the sectors of Agriculture (29%), forestry (26%), Aquaculture (26%) and other services and trading (20%).

Alongside traditional investments in companies providing goods and services now affordable to a burgeoning middle class, the perils of climate change present a new range of opportunities to support private-sector solutions to urgent environmental issues. Private-sector capital, alongside resources from donors, development finance institutions (DFIs) and multilateral organizations, is increasingly active in such investments, and Viet Nam is well positioned to capture such funding.

In Viet Nam, agricultural sector stands as one of the highest GHG emission producers with over 89,751.80 thousand tons of CO₂e_q in 2014⁴ or 31.6% of total national GHG emission. With over 65% of the population of Vietnam active in the agricultural sector, there is significant mitigation potential. GHG emissions are generated by activities in all stages of the food value chain. “Pre-production emissions result from manufacture and distribution of agricultural inputs such as seeds, fertilizers, pesticides, animal feed, and maintenance of animal breeding stock”. Emissions resulting from agricultural production can be separated into mechanical sources including technology and machinery used on the farms, such as harvesters and refrigeration equipment and non-mechanical sources resulting from biological and biogeochemical processes such as decomposition of organic matter, and nitrification and denitrification in soils. There is also potential to reduce 37,540 thousand tons of CO₂e_q through relevant land use and forest activities (LULUCF) or 13.2% of total national GHG emission⁵.

Post-production emissions include emissions from activities such as food processing, storage, packaging, transportation, and retail processes. Further sources of emissions occur past the point of the consumer’s purchase of the product, such as from cooking and consumer waste⁶. Overall, emissions reductions could be a source of millions of dollars a year of saving costs for businesses and generated income for farmers, particularly women and vulnerable households, to invest in new opportunities to adapt to the adverse consequences of climate change.

Impacts of climate change in Agriculture sectors

Vietnam’s agricultural sector has made enormous progress over the past quarter century as smallholder rice productivity and intensification from the 90’s has been central to reducing poverty and increasing food security. However, Viet Nam lags behind regional peers in relation to agricultural land and water productivity and has seen a decline in total factor productivity over the past years.

In addition, the recent trends of feminization of the agricultural sector, due to increasing male migration from rural to urban centres, have affected women welfare and their roles in rural communities differently. Although 64 percent of women in rural areas are working in the agricultural sector, only 14 percent of agricultural landholders are women (UNDP, 2011).

A large proportion of Vietnam’s agricultural growth has come at the expense of the environment as it has stemmed from more intensive use of land and other natural resources, and relatively heavy use of fertilizer and other agrochemicals. Agriculture is both a victim of and a contributor to climate change.

According to the Viet Nam NDC Review and Update, in the absence of climate change adaptation measures, agriculture will be affected by climate change as follows:

- Increase in average temperatures may reduce the productivity of crops and increase the demand of water due to high evaporation, risk of drought and shortage of irrigation water, increase plant diseases and changes in living conditions of living organisms, leading to the disappearance of some species and vice versa arising a number of new pests.
- Sea level rise and saline intrusion will cause more losses or reduction of agricultural land. If sea level rises 100cm, Mekong Delta and TP. Ho Chi Minh is in danger of losing 40.5% of the total rice

⁴ Technical report of Agriculture Sector for NDC Review and Update

⁵ Ministry of Natural Resources and Environment (MONRE), 2018. Vietnam National Greenhouse Gases Inventory Report 2014

⁶ Ceres, 2018. Measure the Chain: Tools for Assessing GHG Emissions in Agricultural Supply Chains

production of the whole region. Climate change is expected to reduce about 12% of agricultural production area in the Red River Delta and 24% in the Mekong Delta.

- Climate change, storms, floods and extreme weather events will seriously affect the health, fertility, growth and development of cattle and poultry and supply food for livestock is reduced.
- Temperature and precipitation changes, leading to changes in the boundaries of forest types and forest distribution. Natural forest and its ecosystems have the tendency of reduction due to the change. High temperature and severe and prolonged droughts increase the risk of fire for all types of forests. In 2100, the risk of forest fire in the North Central region is about 51-85% and in the North West region is about 25-100%.
- Climate change will change the regime of the sea and sea level rise, which will have a significant impact coastal erosion and narrowing the area of the mangrove ecosystem.
- Temperature has a great influence on the growth and development of the aquaculture products. Annual economic (supply) losses of the fisheries and aquaculture sector under the CC scenario up to 2050 are forecasted at about VND 115 billion and VND 60 billion respectively.

Prioritised measures for Agriculture in NDC

As identified in the Viet Nam NDC, in terms of mitigation actions, there are 10 measures that Viet Nam identified in agriculture sector to voluntarily contribute to the climate targets, with the total budget of 50,740 billion VND (equivalent to USD 2.28 billion) from the national budget, and contributions from the private sector and the community. The option with international support included 13 activities with the total budget of 76,960 billion VND (equivalent to USD 3.46 billion).

In terms of adaptation measures in agricultural sector, the Ministry of Agriculture (MARD) estimated that it will urgently need 13,115 billion VND (equivalent to USD 590 million) to implement the prioritised measures in Nationally Determined Contribution of Vietnam for this particular vulnerable sector in the coming 10 years. This includes eight sub-sectors (crop production; livestock; fishery; forestry; water resource; salt production; rural development; and natural disaster response, prevention and control).

Table 1. Key components of Vietnam Agricultural NDC

Components	Technologies and Practices	Co-benefits
Agricultural mitigation measures	Applying alternate wetting and drying (AWD) irrigation and system of rice intensification (SRI)	++
	Improving irrigation technology in planting coffee	++
	Mid-season drainage of rice	++
	Reusing waste products of upland crops annually	++
	Improving livestock feeding portion	+++
	Improving technologies and techniques in aquaculture production	+
LULUCF	Natural forest protection	+
	Coastal forest protection and Coastal reforestation	+
	Large timber reforestation	+
	Zoning for promoting natural forest regeneration	+
Bioenergy and waste treatment measure	Biogas development in livestock sector	+++
	Improving agricultural processing technologies and waste treatment	+++
	Improving livestock waste treatment technologies for producing organic fertilizer	+++
Agricultural adaptation measures	Improving technologies and techniques in aquaculture waste treatment	++
	Researching on the effective land use management for rice production	+++
	Researching and transferring knowledge on new agricultural production models and systems (ICM, VAC, IFES, etc.); new crop, forest tree varieties, and new animal breeds which are more adaptive to climate change	+++
	Researching and transferring knowledge on new technologies and techniques in agriculture, livestock, and fishery (i.e. VietGAP, GlobalGAP, Climate Smart Agriculture)	+++
	Researching the solutions for adapting to riverbank and coastal erosion, drought, and salinity intrusion in vulnerable ecological zones	+++

Reviewing and assessing the dams and reservoir safety	-
Improving and upgrading the communication infrastructure and equipment for offshore fishing vessels	-
Reviewing and planning the activities in the forestry sector in the context of climate change	++
Researching the solutions to enhance the protection capacity of coastal mangrove forests	++
Researching on biodiversity and biodiversity conservation	+++
Enhancing and upgrading the hydrological and meteorological forecasting infrastructure and facilities	+++
Constructing, renovating, and upgrading the dike systems, dams, reservoirs, drainage canals, and other irrigation infrastructure	+++
Developing flood risk maps for vulnerable downstream areas	+++
Strengthening the community-based disaster risk management	+++
Developing models of ecological villages and climate-smart villages	+++

II. STRATEGY

The UNDP NDC Support Programme provides an overarching framework for tailoring NDC Implementation support according to country needs and priorities. The global programme's goal is to support governments to achieve transformational change by scaling up public and private investments in climate change actions to deliver long-term sustainable development. NDCs are the tool for realizing zero-carbon and climate-resilient gains that are sustainable and fully inclusive; where the empowerment of women is integral to success.

This proposal outlines UNDP Viet Nam's proposed actions for 2019-2021 under the global programme. In recent years, Viet Nam has invested in the development of leadership and governance structures to support climate change action. Building on this foundation, this proposal focuses on stepping up implementation systems, and particularly enhancing evidence-based mitigation and adaptation actions, governance, finance and private sector engagement and innovation. The proposed project aims to utilize an integrated approach on climate change adaptation and mitigation, low-carbon development and environment protection as prioritised under Outcome 2 of the Country Programme Document (CPD) for the period 2017-2021.

The project aims to actively encourage the private sector⁷, to finance, support and implement technically sound and financially viable risk-informed mitigation and adaptation actions in support of Viet Nam's emerging NDC targets. In order to achieve this objective, the private sector community in Viet Nam, particularly in agricultural sector, will benefit from three major lines of supporting services/facilities provided by the project (1) Innovation Platform and Partnership for private sector engagement in NDC, (2) Financial, Technology and Policy catalysation for prioritized investment projects for long term low carbon and resilient investment; and (3) Evidence-based Policy Incentives to advance private sector investment opportunities in NDC. These facilities construct the different lines of technical assistance that UNDP will apply to accelerate the climate actions of NDC measures in Viet Nam.

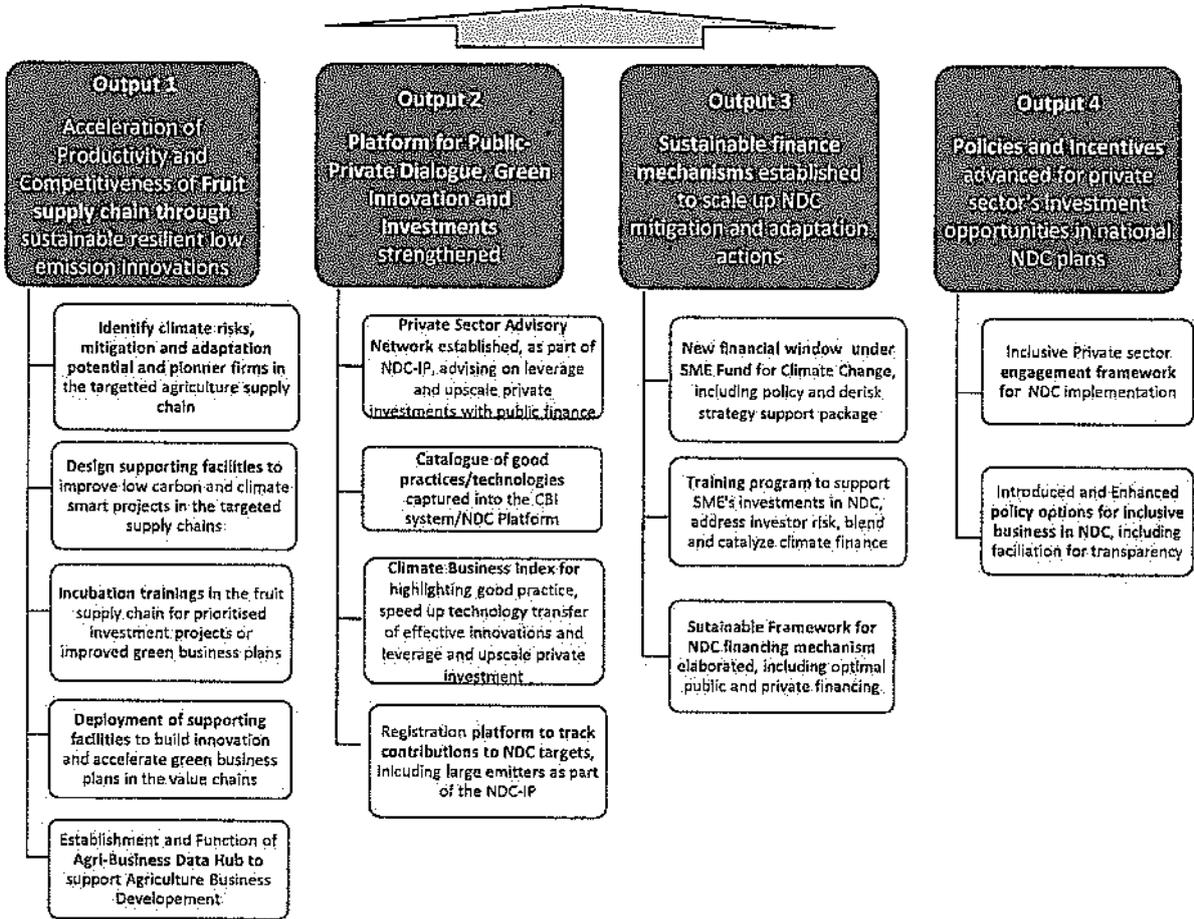
To realise the objectives, the project applies a set of integrated interventions, from working directly with the pioneer firms to creating common platform of public and private goods and services, and then transforming those good practices into public policies and regulations for inclusive private sector action plan of NDC. The project focuses primarily on making the business case for agriculture sector, particularly in fruit tree sector, to systematically transform their supply chain with low carbon and climate resilient business plans and investments.

Lessons from the two to three cycles of support will be documented, discussed at different level to unlock unnecessary bottlenecks in agricultural sector as well as trigger possible replication in other NDC sectors. The lessons as well as good practices will be regularly discussed through NDC Implementation Platform, including NDC Private Sector Advisory Network, high-level NDC business forums to generate incentives, and financial and policy mechanisms as part of the implementation of the Private Sector NDC Engagement framework in Viet Nam. The theory of change of the project is summarised below in Figure 1.

⁷ As majority of private sector in Viet Nam is small and medium enterprises (98.5%), when the project mentioned private sector, here in this case it also means the small and medium enterprises inclusively.

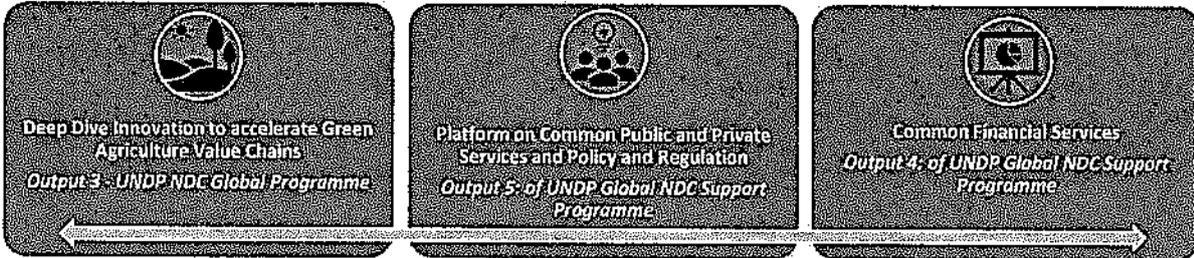
Figure 1: Theory of Change

Objective: Advance the private sector engagement to finance, support and implement technically sound and financially viable risk-informed mitigation and adaptation actions in Viet Nam NDC



Key Barriers: *** Business Community is slow in response to climate changes and its impacts *** Fragmented strategies and plans that support the private sector engagement in the related development programme, and lack of policy incentives for long term sustainable development of climate smart businesses and technologies *** Lack of incentive for inclusive economy and market conditions for investing in climate actions *** Companies lack access to knowledge on climate smart technologies that can increase their profit/ efficiency *** NDC Investors/funders lack trusted mechanism to verify climate action by private companies

Problem statement: Viet Nam will be unable to meet its national and global climate change commitments without significantly stepped up investment and engagement by the private sector



2.1 Deep-Dive Innovation and Experimentation: Accelerate low carbon resilient fruit supply chain (Output 1)

To unlock the potential of private sector to contribute to NDC and accelerate implementation of climate friendly business operations, the project will design and deploy its support facilities for enterprises who would like to actively contribute climate targets of Viet Nam but are facing constraints in doing so. These facilities are categorised into three tracks of measures to unlock business barriers, including the most of common of gaps of know-hows and innovation on doing business in a world in global warming crisis; limit access to stable and diversity of finances and risk management tool for doing green businesses; and access to transparent and inclusive policy framework for doing low carbon resilient business.

Given the strong role of agriculture in the national economy and its unique concentration of business communities, the project will focus significantly to support transformative change in agricultural sector, while explore options to replicate the facilities to other NDC sectors. As Viet Nam is transitioning to industrial revolution 4.0, the agricultural sector is facing a rapid digital transformation. However, the biggest challenge in the agricultural sector, especially among the SMEs, is to take the step to invest in new technologies and innovation to increase productivity and sustainability of operations. Another challenge is how to gather and utilize agricultural data to guide decision making of businesses and policymakers.

The project will promote innovative approach to maximizing the co-benefits of investments in low carbon and resilient business practices and technologies throughout the supply chain. Different actors in the supply chain are supported to build coalition for enhancing their business models, getting access to favourable finance to catch the pathway of green business growth. The project aims to improve the sustainability of the entire supply chain by optimizing links between actors, promoting green market opportunities and creating the enabling environment for low carbon and green development. Priority will be given to empowering women entrepreneurship and encouraging them to actively participating into the project, given their increasingly roles in agriculture sector business in Viet Nam.

Pioneer firms, particularly women-entrepreneurs, in the supply chain will be supported to incubate their projects to improve their individual business operation as well as the whole chain with low carbon and resilient technologies. The firms will also get connected via their Agri-Business Data Hub, which is established by the project under the Agriculture Private Sector Partnership of MARD to generate real time tracking of agriculture business models and compliance with green business practices, e-farming climate advisory, innovative technology transfer, regular market information and carbon footprint tracks, etc. Depending on the pioneer firms' project plan, they will get advisories from experts to improve their project feasibility with financial, technology, data intelligence and/or policy support and reducing unnecessary business risks. The pioneer firms will also get direct benefits from catalytic advisory services, training and policy dialogues with different members of the Agriculture Private Sector Partnership of MARD, selective banks and SME Fund facility, and the Project Advisory Network and NDC private sector platform during their project implementation.

2.2 Introducing Innovative Facilities to engage Private Sector in NDC (Output 2, 3, 4)

Results and lessons from the deep dive process will be complemented through three tracks of collaboration with the government agencies or related institutions. As a result of consultations with the government counterparts and building on the existing NDC governance system and evidence from the agricultural sector (Output 1), the project has the ambition to institutionalise the NDC supporting facilities for private sectors in Viet Nam.

The facilities include:

- I. Innovation Platform and Partnership for private sector engagement in NDC. This platform will be designed in close consultation with MARD and Agriculture Business Community, as well as making a strong link to the NDC Implementation Platform and its NDC trackers that MONRE is working with

DPs and UNDP to establish in 2020. An Agri-Business Data Hub will function as an innovation broker and connector between the businesses and offer a support facility providing advisory services and data intelligence. Gender sensitive and gender-disaggregated data tools will be provided to enable women entrepreneurs get direct access and benefit from this support.

- II. Financial, Technology and Policy catalysation of prioritized investment projects for long term low carbon and resilient investment – Output 3 of the project. The facility will be customised into MPI's financing windows for SME under their existing SME Fund for Agriculture and Start-up Innovations. While the current fund has allocated favourable grants/loans for the SME to do their business, the effectiveness and procedures are not yet there to address climate priorities. The existing fund will be strengthened with stronger alignment to NDC and climate targets, systematic project development procedures to develop high-profile prioritized investment project portfolio on low emission and resilient business in Viet Nam. The project will build on the MPI – SME Fund as the key mechanism for private sector to up taking their green projects with its existing financing process. At the same time, the SME Fund will also be strengthened with cooperation and capacity development to absorb new climate financial sources, e.g. through matching fund with commercial banks; co-finance with ODA resources; access to GCF, GEF and other bilateral finances. Capacity development will be institutionalised as an e-training programme for businesses as part of the funding services. The training programme will provide potential businesses with standardised project development procedures and de-risking tools, update know-how and understanding of latest policies and green finance for NDC cycles. The project will priority women entrepreneurs to get direct benefits from these facilities and mainstream gender into relevant project trainings, policy dialogues and related decision-making processes.
- III. Evidence-based policy incentives to advance private sector investment opportunities in NDC – Output 4 of the project. The facility includes establishment of the Private Sector Engagement Framework in the NDC governance system. Through the framework, business community participate in regular NDC Public-Private Investment Forum to discuss on removing bottlenecks of NDC implementation, and introduction of new investment accelerators to implement NDC action plan. High level advisories and policy recommendations on private sector partnership in NDC will also be provided by the NDC Advisory Network which is co-convened among senior leaders, experts and CEOs from UNDP, Government and Leading business champion on climate change, particularly women entrepreneurs, in the Viet Nam Business Forum.

III. RESULTS AND PARTNERSHIPS

The project is aligned with the global UNDP NDC Support Programme contributing to three global outputs. Namely, the project activities fall under global output 3: *Evidence-based design and planning of mitigation and adaptation actions delivered*; global output 4: *Capacities developed to design climate-friendly investment opportunities, address investor risk, and blend and catalyse climate finance*; and global output 5: *Private sector engagement systematized and enhanced*.

3.1 EXPECTED RESULTS AND MAIN ACTIVITIES OF THE ACTION

Output 1: Acceleration of Productivity and Competitiveness of Fruit supply chain through sustainable resilient low emission innovations
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<i>The result is contributing to the Output 3 of the Global NDC Support Programme: Evidence-based NDC planning and implementation: NDC targets disaggregated and national/sectoral roadmaps elaborated and costed. Financial strategies prepared, and investment barriers assessed. Long-term vision defined.</i>

The Project will accelerate climate actions throughout the fruit supply chain by strengthening the supply chain coalition/partnership in transforming practices for reducing GHG emissions and enhanced adaptation

in the firm's business models. Experimentation and agility of the deep dive will allow faster iteration to see which solutions work and which ones don't in the rapidly changing complex environment.

The project is focused on the fruit sub-sector to make a business case for systematic transformation of climate actions in the entire supply chain. As reported in the Agriculture Supply Chain Prospective 2019 (IPSARD, MARD), the fruit and vegetable sector is becoming a strategic commodity for Viet Nam and is becoming the key priority of the MARD's Agriculture Reform Programme toward Industrialisation and Sustainable Growth. The Ministry of Agriculture is currently advancing its restructuring programme, prioritising fruit and vegetable as emerging sub-sector that will contribute significant roles in the national economy and improving the quality of lives for farmers. It is forecasted that the sector will reach the total export value of US\$6 billion by 2020 and US\$13 billion in 2025, in comparison to US\$3.81 billion in 2018.

However, at the current stage, the fruit commodity is still following traditional farming practices, with high GHG emission technologies and not taking into account environment-friendly benefits. There is a significant technology gap in production and post harvesting processes undermining the sector's competitiveness. While rice and coffee commodities have been overdeveloped historically and are being reformed towards quality over quantity, fruit sub-sector is a high priority in MARD's development agenda where the ministry will need support in setting up their new rules and regulatory framework for businesses across the whole chain. To improve the sustainability of the entire fruit chain, the project is optimizing links, synergies and coalition between pioneer actors who would like to collaborate in working with the Government and UNDP in improving their business plans and investments with green opportunities. In particular, comprehensive assessment of different risks, benefits, and trade-off in applying low-emission and green technologies will be undertaken to support the business sectors to explore investment options for sustainable business opportunities.

Under the first output 1.1, in the first year, **key climate risks, mitigation and adaptation potential and pioneer firms will be identified in the selected agriculture supply chain.** The project will undertake a systematic review and mapping of climate risks and technology potential and climate gaps in the fruit tree supply chain. Gender disaggregated data will be assessed and related gender-sensitive options to engage women entrepreneurs will be tailored. Stakeholders in the supply chain will be mapped, bottlenecks and opportunities for improvement of business models with low carbon resilient technology options through the whole chain will be identified, from inputs to production to packaging, processing and distribution and marketing described in figure 1 below. It is important that all the different actors through the supply chain are included in the process and therefore part of the wider knowledge exchange network. The output is carried out in collaboration with the Inclusive Growth Unit of UNDP who is conducting a pilot technology assessment of Vietnamese fruit processing industry. The project will continue to build on the work done by IGU studies and expanding activities as listed in the output 1.1. This project will benefit from the latest update of value chains for mango and pineapple commodities, both upward and downward linkages to the fruit processing stage, which is undertaken by the Inclusive Growth Unit. Insights and recommendations on options to improve fruit processing technologies, particularly for mango & pineapple fruit processing firms in Viet Nam, will be reviewed to incorporate into the project for comprehensive solutions for SMEs.

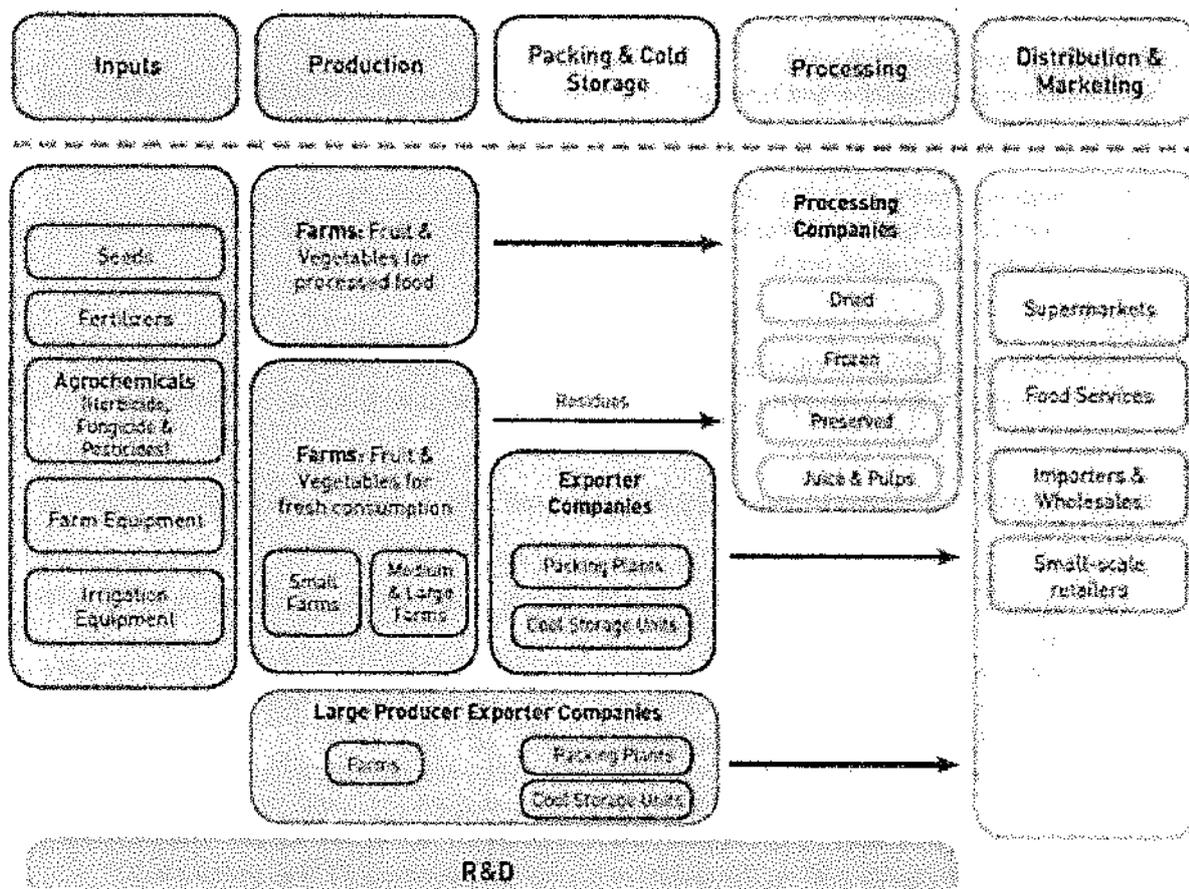
The second output 1.2 aims to **design supporting facilities to improve low carbon and climate smart projects in the targeted supply chain.** The project will support pioneer enterprises in the chains to green their business plans, particularly as joint consortium of, in improving their investment plans developing joint operation plans of business for greening their supply chain system. The facilities will be hosted in the Agri-Business Data Hub, where the use of data to make more informed decisions about managing agronomic operations, holds the key to increased efficiency and greener operations throughout the supply chain. Priorities will be made to equal access of climate risks, green technologies and business options for women and men, and particularly reach women entrepreneurs in agriculture.

Under output 1.3, **incubation training is provided for selected firms in the fruit supply chain to develop prioritized investment projects or improved green business operation plans.** Pioneer firms in the supply chain will be supported to incubate their projects to improve their business operations as well as the whole chain with low carbon and resilient technologies. The firms will also get connected via their Agri-Business Data Hub, which is established by the project under the Agriculture Private Sector Partnership of MARD to

generate real time tracking of agriculture business models and compliance with green business practices, e-farming climate advisory, innovative technology transfer, regular market information and carbon footprint tracks, etc. Depending on the pioneer firms' project plan, they will get advisories from experts to improve their project feasibilities with financial, technology, data intelligence and/or policy support and reducing unnecessary business risks. The pioneer firms will also get direct benefits from catalytic advisory services, training and policy dialogues with different members of the Agriculture Private Sector Partnership of MARD, selected banks and SME Fund facility, and the Project Advisory Network and NDC private sector platform during their project implementation.

Under output 1.4, supporting facilities to build innovative models and accelerate green business plans in the identified value chains will be deployed. First batch of two prioritized investment projects with low carbon and resilient models with high feasibility and potential for application in the supply chain will be selected for full formulation and financing. The project will also deploy its supporting facilities to ensure the two models have technically, economically and financially viable during its implementation. Lessons learnt and evidence from the two models will be the inputs for improving the NDC supporting facilities of the project. The second and third rounds of prioritized investment projects will be supported in the following years with extended project portfolio for low carbon and resilient projects in the supply chain and full deployment of NDC support facilities for the fruit sectors.

Figure 1. Agricultural supply chain for fruit and vegetable sector



The final output 1.5, will aim to support MARD to establish an Agri-Business Data Hub to support Agriculture Business Development in the first year hosted by the Agriculture Private Sector Partnership of MARD in close collaboration with Pioneer Firms of the supply chain. The Agri-Business Data Hub has two main objectives: (i) to provide reliable data, modelling and insights to inform sustainable business decisions of the supply chain actors and (ii) to provide support services in integrating new technological solutions to improve

productivity and sustainability of business operations throughout the agricultural supply chain. The data consists of sustainable business models and compliance with green business practices, e-farming climate advisory including field forecasts, regular market information and predictions as well as carbon footprint tracking etc.

The Agri-Business Data Hub therefore performs three different but interlinked functions. First, it creates a space for learning and innovation, as an innovation intermediary. Second, it performs a governance function within the value chain to improve coordination of business activities by actors and reduce transaction costs. Finally, the platform has an advocacy function to influence evidence-based policymaking. Agri-business Hub and its service lines will be designed in close consultation and collaboration with the on-going initiative of MARD Private Sector Partnership, the beneficiaries and international expertise.

There is a lot of data and metrics available surrounding the way food is produced, supplied and consumed in Viet Nam. However, much of this information is fragmented. The Agri-Business Hub aims to bring all available data together and experiment and use it in a meaningful way and connect information from any source, providing the whole agri-food industry with an opportunity to analyse, compare and combine data in novel ways. This also provides an opportunity to identify precise answers and trends that can inform the decision making of all the businesses and other stakeholders involved in the value chain using real time data and analytics.

Project partners: ISPARD (MARD), DCC (MONRE), SME Fund (MPI), Leading Firms in Fruit Sector⁸

Expected Outputs/Results under Output

1.1 Key climate risks, mitigation and adaptation potential and pioneer firms identified in the selected agriculture supply chain

- 1.1.1. Report on the commodity supply chain and stakeholder mapping conducted;
- 1.1.2. Identify and build a platform of pioneer firms for greening agriculture supply chains and sustainable business model

Deliverables:

- 01 supply chain report of climate gaps (GHG, adaptation, co-benefits, governances, finance)
- 01 Draft MOU with Pioneer Firms, particularly priorities are given to women entrepreneurs

1.2 Design supporting facilities to improve low carbon and climate smart projects in the targeted supply chains

- 1.2.1 Study and consultations carried out for fruit supply chain to design NDC supporting facilities for fruit sectors;
- 1.2.2 Highlight non-financial risks, opportunities and barriers to meet the needs of SMEs to SMEs to invest in the relevant fruit production models and supply chain. Assist public authorities at relevant levels to formulate solutions;
- 1.2.3 Consultation with Provincial authorities, stakeholders in the supply chains to finalise the NDC supporting facilities and policy incentive package for the fruit subsector;
- 1.2.4 Dialogue with Provincial and National Government to institutionalise the de-risking investment facility and regular update of prioritised project portfolio in year 2 and 3;

Deliverables:

- 03 Facilities Designed (Low GHG resilient Technology, Finance and De-risk strategy for NDC prioritised projects, E-platform)
- 01 technical advisory agreements with MARD's Private Sector partnership, Leading Firms, MPI SME to the Chains,

⁸ Currently there are 5-6 Pioneer Firms who are actively working with MARD's Private Sector Partnership for Agriculture and Fruit Association Lavifood, Nafood, Doveco, TH-Milk, Westfood, Truong Thanh – Thaco Truong Hai, etc.

- 02 new incentives formulated by Government or local provinces

1.3 Incubation trainings for selective firm coalitions in the fruit supply chain to develop prioritized projects or improved green business operation plans

- 1.3.1 Incubation training for pioneer firms for greening agriculture supply chains and sustainable business model in the fruit Supply Chain;
- 1.3.2 Upgrade the training for the private sectors in the fruit supply chain in the following years as well as sharing the lessons with other agriculture sectors;

Deliverables:

- 01 pilot training programme for fruit chains in year 1
- 01 revised training programme (e.g. e-training) in year 2 and 3 as part of the Agri-Business Data Hub

1.4 Deployment of supporting facilities to build innovative models and accelerate green business plans in the identified value chains

- 1.4.1 Select 2 models for application in the first year to develop the business case of NDC for private sector in NDC;
- 1.4.2 Scale up of the incubation training for the following years with tailor cost-effective and self-sustaining concessional finance instrument(s) to bridge the gaps between financial institutions, SMEs and farmers and unlock investments (for instance local revolving fund, partial guarantee instrument, etc) into selected fruit production models and supply chain;
- 1.4.3 Scale up of the financial scheme in close partnership with MPI SME Fund and other matching funds;

Indicative targets

- 02 incubation models/projects for fruit supply chains in year 1
- At least 8 projects on green supply chains innovated/initiated by the end of the project (50% of the projects are directly benefit women entrepreneurs)
- 01 Agreement for co-finance of SME Fund + other matching Fund (in year 3)

1.5 Establishment and Function of Agri-Business Data Hub to support Agriculture Business Development

- 1.5.1 Carry out a review of relevant data production and management models to establish the Agri-business Hub for the supply chains; Solutions designed and established with close collaboration of the beneficiaries, and data production and management process and protocols formulated and agreed
- 1.5.2 Consultation workshop arranged with relevant stakeholders to design the Agri-business Hub hosted by the MARD Private Sector Partnership in close collaboration with Pioneer firms;
- 1.5.3 Provision of R&D support, business analytics, training and advisory support under the Agri-business Hub;

Deliverables:

- Design the Function of Agri-Business Data Hub in year 1, with full development of Data Solutions, analytics and training services in the Hub in year 2; innovative tools will be tailored to support gender-specific training and data analysis for female entrepreneurship.
- The hub will be operationalised and self-sustained in year 3

Output 2: Platform for Public-Private Dialogue, Green Innovation and Investments strengthened

The result is contributing to the Output 5 of the Global NDC Support Programme: Enhance private sector engagement - Facilitate public-private dialogues on NDC priorities and map non-state initiatives supporting targets. Promote non-traditional roles for women.

The approach aims at building a longer-term systemic partnership where private sector is seen as an equal partner participating in the policy dialogue and climate change mitigation efforts. To put policy into action, it will aim to foster innovations in private sector climate change finance to support businesses able to show measurable contributions to achieving NDC targets. It is important to note that the project will focus its support to small and medium enterprises inclusively as the targeted group. However, under this particular output, the project will also identify priorities and create dialogue platform with large emitters, particularly those who are state-owned enterprises (SOEs) or multi-national cooperation (MNCs) of large-scale business, to collectively work with the public sectors in greening their business models. Activities will also catalyse dialogue and action by the private sector to highlight good practice, speed up technology transfer of effective innovations.

UNDP supports the government to encourage private sector action to achieve Vietnam's climate change goals and to catalyse and consolidate UNDP's work with the private sector on climate resilient green growth via an open source business self-assessment platform, awareness raising tools, as well related business incubation training on climate-smart businesses. UNDP will also maintain a regular dialogue between the government and the private sector through Private Sector Advisory Network to advance private sector's roles in NDC plan of Viet Nam.

Under Output 2, in line with the global output 5, business platform will be established to create a proactive and participatory approach to identifying the areas in which the private sector can best contribute to NDC implementation and support the transparency and credibility of efforts. This will help to create an environment of trust, openness and informational symmetry and help governments to address regulatory and legislative hurdles that are impeding zero-carbon investments. In addition, the platform helps promote private sector's voluntary climate change activities in Vietnam, identify companies that need additional investment and capacity building, and encourage additional support for them. Currently the private sector in Viet Nam has not been systematically engaged in the NDC review process, or in Government led processes to identifying projects that show potential for private sector development according to financial feasibility criteria.

Under the first output 2.1, the project aims to strengthen **Public-Private dialogue and create awareness on climate change investment opportunities for businesses** by bringing together key both national and local level firms and key stakeholders through a series of targeted consultative forums. This will include a national level forum presenting NDC goals and gathering inputs into how the private sector can best contribute to NDC 2020-2030 action. The aim of these sessions will be to provide a forum for good practice 'champion' companies to publicize and show-case products and experience in delivering low-carbon climate resilient products and services, and to connect to potential future partners, customers or investors.

Additionally, a Private Sector Advisory Network consisting of CEO's of Businesses in Viet Nam as well as technical experts from the UNDP will be created. The Private Sector Advisory Network seeks to support the policy dialogue on GHG emission reduction and climate change adaptation and mitigation.

The network will be focus on promote NDC investment and action of private and public sectors. The network functions as a knowledge exchange platform between the businesses and advise on leverage and upscale private investment. This work will help create awareness about opportunities for private sector action on the NDC. Catalogues of technologies and good practices for mitigation and adaptation will also be created for potential replication and scale-up through this network. Catalyzing dialogue, assembling stakeholders and promoting coherent action across both the public and private sector will be key. Network can help participating companies to source financing, technology, and knowledge in sectors that have been identified for further development, scale or replication.

Under the second output 2.2, the project aims at strengthening **monitoring and tracking of private sector progress in contributing to NDC targets**. To date, sustainability reporting has not been widely practiced in Viet Nam and therefore, there has been little climate-related performance data disclosure by the private sector. Business opportunities are limited because governments and domestic and foreign investors interested in climate-friendly investments are discouraged by the lack of transparency and data availability.

To help increase investor confidence that funds are producing climate benefits and also to provide improved data on private sector contributions to NDC indicators, the project will also support establishment of Climate Business Index (CBI), a voluntary tracking system for companies. CBI offers a platform for companies to understand and report climate-related information. It adopts a three-level approach so that companies can

choose as per their capacities and get training through UNDP's resource and assessment regarding the contribution of the business to climate actions. By accurate disclosure in CBI questionnaire, companies are building a civilized business environment with your social responsibility. This will enable firms with products and services that are directly making contributions to key NDC indicators (such as reductions in GHG emissions) to provide data on an annual basis using a simplified online calculation method. Where possible existing systems and metrics, such as already agreed SDG target data collection systems for climate change indicators will be built upon in this approach.

Building on the pilot of CBI, in the second year of the project will focus on customising a registration platform for GHG accounting and financial reporting, with relevant tools and convenient training for the private sector to understand the impacts of climate change to their business and develop more effective GHG reduction strategies, particularly throughout the whole supply chain. The GHG accounting and reporting will be built on the global standards, guidance and tools and training for business and government to measure and manage GHG emission⁹

Expected Outputs/Results under Output

2.1 Public-Private dialogue strengthened, and awareness created on climate change investment opportunities for businesses;

- 2.1.1 Private Sector Advisory Network in Viet Nam established, as part of NDC-IP, advising on leverage and upscale private investment;
- 2.1.2 Catalogues of technologies and sustainable practices, particularly in agricultural sector, generated to inform the inventories of business practices and technologies for the Government's NDC Transparency Platform and/or NDC-Implementation Platform;
- 2.1.3 Targeted consultative forums arranged;

Deliverables:

- 01 Private Sector Advisory Network established that link with the NDC Implementation platform
- At least 300 firms registered in the CBI should be reported with relevant technologies and business cases to inform the future uptake of NDC Transparency Platform established by the Government
- At least 2 Investment Forums organised during the project

2.2 Monitoring and tracking private sector progress in contributing to NDC targets enhanced;

- 2.2.1 Climate Business Index developed which is a web-based voluntary registration system for private companies to benchmark and contribute to reduce GHG emission and address climate change impacts;
- 2.2.2 Registration platform created building on the pilot of Climate Business Index, focusing on systematic tracking and reporting of finance and GHG of all NDC sectors, as part of the NDC Transparency Platform established by the Government (e.g. linking directly with the Viet Nam NDC implementation portal)

Deliverables:

- Climate Business Index developed and regular outreach and promoted in different forums, with at least an annual consolidated report of the climate performance of the private sectors

⁹ <http://ghgprotocol.org/about-us>

- Registration platform for private companies, particularly those who are running a business that contribute to NDC and highly consuming the energy and environment resources as part of NDC Transparency framework

Output 3: Sustainable finance mechanisms established to scale up NDC mitigation and adaptation actions

The result is contributing to the Output 4 of the Global NDC Support Programme: Finance and investment de-risking – Implement barrier removal and de-risking strategy. Design inclusive financial mechanisms to catalyse finance.

UNDP supports financing for longer-term, sustainable climate change activities, including support the Government and Private Sector to establish a sustainable financial framework for NDC in Viet Nam. UNDP is working to promote innovative climate change investment and scale up financing in Vietnam using a variety of financial instruments and support mechanisms.

Under output 3.1, **new financing mechanisms are implemented for private sector Climate Change adaptation and mitigation, including de-risk strategy.** Specifically, UNDP will work with MPI to implement SME funding window to catalyse Climate friendly investment and new technology adoption and develop mechanisms to further leverage this funding. UNDP will explore new innovative financing opportunities such as impact funding, green bond and access to international global climate funds. Additionally, a vibrant private-equity investment community has developed in Viet Nam since the early 2000s. There is now over US\$500 million under management in funds making investments of US\$500,000 to US\$20 million and above in the country. Domestic fund managers such as Dragon Capital, Vina Capital and Mekong Capital are recognised in South-East Asia and well known to the key multilateral development banks (MDBs). In addition, there are regional funds such as the Asia Impact Investment Fund (AIIF) and the ASEAN China Investment Funds II and III that have allocations to Viet Nam. Further, some of the larger, internationally-recognised players such as Goldman Sachs, KKR, Blue HK Investments and EQT Capital Partners are active in larger deals. This means that Viet Nam is well placed as a potential destination for a climate change focused fund-although significant institutional barriers to launching a climate change investment fund persist.

It is increasingly recognised that de-risking frameworks are needed for market-transformation initiatives and for demonstrating the business case for zero-carbon, climate-resilient investment. Under this output investment-ready opportunities are identified, and appropriate financial and policy levers are applied to minimize investor risks in the agricultural sector. There is broad agreement that innovation in NDC financing has been limited and the bulk of financing (over 80% according to IFC estimates) has flowed into energy and infrastructure. Furthermore, a recent UNDP and BlackRock investigation into insurance investors (which represent between US\$22 and US\$25 trillion in assets under management) shows a clear lack of understanding of the opportunities available, actual and perceived risk as well as doubts on the yield of developing-country projects – there is clearly an issue of translation to be addressed between governments and large-scale private investors¹⁰.

Under output 3.2, **stable financial Framework for sustainability of NDC financing mechanism is elaborated** by carrying out a feasibility study for finance and policy tools in agricultural sector. This activity also supports the first Output of the project. As Viet Nam will have to update the NDC every 5 years following UNFCCC Rule Book, the introduction of a financial framework as part of Viet Nam NDC Implementation Platform, and ensure Government’s strategy in addressing the climate issues with a long-term development vision is required.

Output 3.3 aims at **capacity building of private sector on climate change adaptation and mitigation and investment.** This output will leverage the pilot carried out in Output 1 providing a training program to support SME’s investments in NDC, address investor risk, blend and catalyse climate finance. Capacity development of the businesses is important as one of the challenges is the lack of know how in terms of how to access available finance and how to create more sustainable business operations.

Expected Outputs/Results under Output

¹⁰ This is part of the work of the Insurance Development Forum.

3.1 New financing mechanisms implemented for private sector Climate Change adaptation and mitigation;

- 3.2.1 Financing window under SME Fund for Climate Change implemented including policy and de-risk strategy support package;
- 3.2.2 Mechanisms developed to match SME Funding with other financial sources (e.g. foundations);

Deliverables:

- An improved mechanism for climate financing is integrated into the SME Fund, build on the feasibility for Financing Policy for Agriculture in Output 1
- Innovative Climate Financing options are explored for the SMEs, particularly via Supply Chain approach; priorities are given to promote financing tools and options for women entrepreneurship.

3.2 Stable financial Framework for sustainability of NDC financing mechanism elaborated (i.e., public, institutional, and/or private sources);

- 3.2.3 Feasibility study for finance and policy tools in agriculture carried out;
- 3.2.4 Replicated in NDC cycle via NDC IP

Deliverables:

- A Financial Framework (tool and plan) for sustainability of NDC private sector financing mechanism established and integrated into the NDC implementation process

3.3 Capacity building of private sector on climate change adaptation and mitigation and investment

- 3.3.1 Training program to support SME's investments in NDC, address investor risk, blend and catalyse climate finance;

Deliverables:

- Training programme for SME is adopted to train private sectors who are interested in accessing finance from SME Fund, with lesson learnt from Output 1 for Agriculture Sector
- Re-risking investment and prioritised project development tools are integrated into the training programme

Output 4: Policies and Incentives created to advance private sector engagement in investment opportunities in national plans

The result is contributing to the Output 5 of the Global NDC Support Programme: Enhance private sector engagement - Facilitate public-private dialogues on NDC priorities and map non-state initiatives supporting targets. Promote non-traditional roles for women.

UNDP will focus on establishing a more inclusive private sector engagement framework in NDC and climate policies and plans, as part of the NDC review and update process. Promoting regular policy dialogues to enhance policy options for inclusive business in NDC, including facilitation for transparency framework in NDC implementation, will also be emphasised to enhance effective business conditions in the emerging sectors. Base on the feasibility assessment and piloting of new inclusive risk informed financial instruments/windows, particularly via MPI-SME Fund and/or National Environment Fund, for Agriculture and Energy Sectors, UNDP will also support the Government to catalyse incentive mechanisms to align investments from SME Fund or Environment Fund with NDC priorities.

Output 4.1 focuses on **inclusive private sector engagement framework for NDC implementation**. UNDP Viet Nam will work with the government to define achievable and ambitious mitigation targets and a long-term vision for reducing GHG emissions through creating a private sector NDC engagement strategy and

strengthening the enabling environment for private sector action. The engagement plan aims at highlighting where private sector action can be most effective in support of reaching Government climate change targets. Sectoral roles and responsibilities will be agreed in a fully inclusive manner and government partners will be supported to engage with the private sector to develop technically sound and financially viable priority NDC mitigation actions.

Building on Viet Nam's existing UNDP-supported Private Sector Climate Change Expenditure and Investment Review (PCEIR)¹¹ as well as other global good practice on tracking private sector investment¹², the second part of the engagement strategy will outline the areas where the private sector is best placed to contribute to achieving climate targets, taking into account key financing barriers and opportunities. This will compare the PCEIR analysis of private sector investment to date, with requirements as per the indicators and model data being developed as part of the NDC review process. Using existing data from Government and NDCP partners, and using a participatory process, the aim will be to develop a clearly-defined strategy for engaging private sector that identifies priority areas where the government would like to see investment by the private sector, which the private sector also sees as feasible for prioritization.

As an input to the engagement strategy development process, under output 4.2 **policy options for inclusive business in NDC, including facilitation for transparency are introduced and enhanced**. UNDP will work with Government partners to develop sectoral risk-informed NDC investment plans; focusing on four Government priority areas critical to ensuring NDC achievement. In line with Viet Nam's climate change policy, the strategy will aim to maintain a balance between mitigation and adaptation action, and to highlight synergies and co-benefits where possible. These sector plans will include recommendations on priority pipeline projects, estimated costs and potential impacts on the country's NDC mitigation targets and adaptation goals. They will also highlight areas where external finance be leveraged to scale-up climate actions, as well as identify areas where further de-risking, or where Government led investment is still required.

Expected Outputs/Results under Output

4.1 Inclusive Private sector engagement framework for NDC implementation

4.1.1 Government private sector NDC 2 engagement strategy developed;

4.1.2 Catalysed incentives to align business investments in SME Fund or Environment Fund with NDC priorities;

Deliverables:

- A private sector engagement framework is developed, including incorporation of relevant incentives for private sector engagement are adopted in the NDC implementation; priorities are given to promote financing tools and options for women entrepreneurship

4.2 Introduced and Enhanced policy options for inclusive business in NDC, including facilitation for transparency;

4.2.1 Study on the policy options for inclusive gender-sensitive business and transparency in NDC;

4.2.2 Policy Dialogue to enhance transparency;

Deliverables:

- A roadmap to enhance inclusive business in NDC
- Policy dialogue to enhance business transparency in GHG emission and green supply chains options

3.2. RESOURCE REQUIRED TO ACHIEVE THE EXPECTED RESULTS

The indicative implementation of the project, during which the activities described in section 3.1 Expected Results and Main Activities of the Action will be carried out, is 36 months starting fromJuly 2019 toJune 2022 inclusive.

¹¹ http://ledsgp.org/wp-content/uploads/2017/10/Vietnam_private-climate-expenditure_FINAL.pdf

¹² <http://ndcpartnership.org/content/private-sector-climate-expenditure-and-institutional-review-pceir>

The project plan will focus on a limited number of provinces (2-3 provinces) to increase impact in relation to its objectives. The selection of targeted provinces will be elaborated at the inception of the project. Initial discussion with a pipeline EU-funded UN-REDD project was initiated, particularly for the Output 1, to synergize efforts of interventions through the regional approach (See further in the coordination section under 3.3).

The project team involved in the Direct Management of the Project will comprise a team of 5 members. The Direct Management of the Project Technical Team will comprise 3 staff that will undertake project management, technical advisory, reporting and monitoring, with the costs for these team members is incorporated under Outputs 1 to 4. The Direct Management of the Project Support Team will comprise 2 staff, comprised of 1 national staff and possibly 01 international intern who will undertake project management support including communications, administrative, financial and procurement tasks, with the costs for these team members identified under Project Management and Direct implementation plan. The project positions will have costs shared with other CCE projects. The project will have gender expertise and NDC background. Detail plan of mobilisation of resources is explained under Section 4 on Project Management.

The project 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 corporate structures, management and oversight costs of UNDP. The GMS is applied to all projects funded by Development Partners that are implemented by UNDP around the world. The GMS amount between UNDP and EU and BMU is globally set at 7% (seven percent) of the total funds provided for this project by the EU to UNDP.

3.3. PARTNERSHIPS

In addition to working closely with potential global partners/ initiatives such as the **Climate Investment Platform (CIP)**, **Grow Asia** and **Invest4Climate**, the project will also aim to work closely with a number of local partners and different businesses. The project embraces a multi-stakeholder approach for example through focusing on the whole supply chain including different actors in the activities. It also embraces a participatory policy dialogue between different actors and aims at whole of society approach.

Under the Deep Dive implementation with agricultural sector, the project will work with IPSARD, whose mandate under MARD includes provision of technical advisory on the Agriculture Restructure Programme and with the Crop Department, who is in charge of supporting policy development of supply chains for agriculture commodities.

The MPI SME Fund is the key partner receiving the project technical support as well as the advisory to the SME participants who are engaging in the projects in formulating prioritised investment portfolio for low emission and resilient business. Project will leverage partnerships with other banking and financial institutions, willing to update and collaborate with SME Fund and UNDP in up taking financial instruments for greening business and investment in relevant supply chains in the second half of the project cycle.

UNDP is currently in dialogue with the Viet Nam Chamber of Commerce and Industries (VCCI), which is a network of more than 30,000 registered companies, as well as a with a number of developed country chambers operating in the country. Well-placed local partners may be invited to collaborate and, in some cases, provide support to forums as appropriate.

In addition, the project will also reach out to existing organisations operating in the field of digital agriculture and climate tracking, such as Green ID, CIAT, GGGI and others to explore potential collaboration on private sector supporting facilities and tracking tools.

The project will also aim to cooperate closely with the global CIP initiative to match country level projects developed through NDC investment plans with global financing and technology and provides a testing ground for private sector engagements and a pipeline of potential experts and funders.

Coordination with other on-going projects

This project will closely coordinate with the UNDP's Inclusive Growth Unit, and their pilot technology assessment of Vietnamese fruit processing industry as well as UNDP's pipeline EU funded REDD+ project on "Integrated sustainable landscape management through deforestation-free jurisdiction project in Lam Dong and Dak Nong". The aims of the UN-funded REDD+ project is improving environmental sustainability and social inclusion and resilience of food production models and supply chains in the Central Highlands of Vietnam. This project will focus on sustainable land management practices, where sustainable field solutions to improve climate smart and non-timber forest products can be generated, of which fruit tree is a high potential intervention sector. This NDC private Sector project will focus at the climate smart technology transformation at value chain level, contributing to organizing a high-quality value chain of fruit chain (Output 1), led by an active network of SMEs committed to invest and transition towards sustainability, and informed by an innovative traceability, standard and data management system. The two projects will highly benefit from a joint supply chain intervention in a location of Lam Dong and Dak Nong. UNDP CCE team will coordinate closely the project intervention, particularly through a joint complimentary work plan in the provinces, for the targeted fruit supply chain. The UN-REDD project will also benefit from the coordinated efforts of NDC Private Sector Forums/Platform and other enabling conditions of financial mechanisms and policy incentives dialogue at the national level through NDC Platform.

There are also development partners who are working to support the development of the agricultural sector in Viet Nam, however, few of them are supporting private sector development through an integrated value chain approach. Through a strong multi-stakeholder approach the project seeks to first identify the key players in the field through a stakeholder mapping and second, find knowledge exchange opportunities and synergies and entry points for collaboration.

For instance, this year 2019, OECD-FAO have jointly launched a 3-year programme on "Responsible Supply Chains in Asia" to raise awareness and build capacity on international standards on responsible business conduct in supply chains. As part of this programme, the OECD is conducting a pilot with and for agribusinesses in Southeast Asia to promote understanding and uptake of the OECD-FAO Guidance for Responsible Agricultural Supply Chains. The pilot is targeting agribusiness companies in four countries in SEA region, including Viet Nam to understand how supply chain due diligence can help strengthen risk management practices, meet expectations on responsible supply chains of key export markets and support business contributions towards the Sustainable Development Goals (SDGs). In Viet Nam the project is focused on Seafood, targeting input suppliers, on-farm enterprises, co-operatives and producer associations, food and beverage manufacturers, traders, distributors and wholesalers, retailers and supermarkets and investors¹³.

In addition, World Bank is funding a Sustainable Agriculture Transformation Project, which aims at improving farming practices and value chains in the targeted project areas and promote institutional strengthening of relevant public agencies to effectively support implementation of the agricultural restructuring plan. The second component of the project supports sustainable rice-based systems supports key rice producing districts in eight Mekong Delta provinces, which includes supporting a large-scale program on improved agronomic practices and management and supporting private sector investments in upgrading rice processing technology and facilities for high value and quality rice. The third component, supporting sustainable coffee production and rejuvenation will support the transformation of a substantial portion of Vietnam's coffee sector to sustainable practices. This component includes supporting an intensive coffee program on improved farm agronomic and management practices¹⁴.

Finally, GIZ is funding a Mekong Delta Climate Resilience Programme (MCRP), which aims at improving climate-resilient management and create greater resilience to the impacts of climate change. The project supports the Vietnamese partners in establishing an institutional framework for the regional coordination of climate-resilient development in the Mekong Delta. The project also aims at experimenting with innovative technologies that have been adapted to climate change. The focus is on inter-provincial land and water management and on coastal protection, using methods such as remote sensing with lightweight drones in

¹³ <https://www.oecd.org/daf/inv/investment-policy/rbc-agriculture-supply-chains.htm>

¹⁴ <http://projects.worldbank.org/P145055?lang=en>

areas of erosion on the coast, along canals and in mangrove forests. Data processing coupled with satellite-based big data for climate forecasts or for coastlines and shorelines enables infrastructure investment decisions to be made¹⁵.

Coordination and alignment with NDC Partnership

Activities are in line with UNDP Viet Nam's contributions to the global NDC Partnership (NDCP) and the coordinated planning and implementation approach being undertaken by Government and development partners in Viet Nam. This proposal has been developed in line with the NDC Partnership guiding principles, including: support for country-driven processes and gender equality; advancement of adaptation and mitigation; alignment of climate change with development; promotion of multi-stakeholder engagement; and improved coordination, efficiency and responsiveness.

The activities below present a systemic approach to scaling up climate finance that will be tailored to country demand and needs, as defined in NDC Partnership Plans, and build on the existing efforts of UNDP and other development partners. UNDP will also engage in strategic partners that allow the leveraging of excellence and innovation and delivery of a unified package of support to country counterparts. Activities build upon existing support to the Government's NDC review, where UNDP is working closely with key Ministries and NDCP stakeholders. Proposed actions fill in key gaps in current coordinated actions. The evidence base generated will be codified and communicated through UNDP and the NDCP for learning, replication and scaling up.

DONOR VISIBILITY

Visibility for Viet Nam activities will be achieved through several mechanisms, including:

- Knowledge and learning disseminated through UNDP and NDC Partnership channels, as well as strategic partners including the IKI NDC Support Cluster finance working group and the LEDS Global Partnership finance working group;
- Promotion of key results and best practices through national and regional fora including: the NDC Support Programme, the UNDP/UNFCCC regional technical dialogues, impact investment events, and pre-agreed private investment forums (i.e. focused on infrastructure);
- Donor branding of key products.

3.4. RISK AND ASSUMPTIONS

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

3.5. STAKEHOLDER ENGAGEMENT

The key stakeholders in the project include private sector, government and different individual actors at the grassroots level. As the project aims at accelerating private sector engagement on climate resilient and low emission NDC investment opportunities, different types of companies are engaged in the project activities. The Private Sector Advisory Council is targeted for bigger, more established companies, whereas as part of focusing on the agricultural supply chain, more SME companies and small holder farmers are engaged. The project therefore aims at engaging the private sector in climate change mitigation and adaptation in a more holistic manner.

Additionally, the government partners: Department of Climate Change and IMHEN in MONRE, the Small and Medium Enterprise Development Fund and the Department of Enterprise Development in MPI, IPSARD in MARD and VCCI, MOIT as well as the two provinces of Lam Dong and Dak Nong are key stakeholders in the project. Additionally, through the multi-stakeholder approach, different organizations working in the same field will be engaged and potential synergies and entry points for collaboration will be thoroughly identified throughout the programme cycle.

¹⁵ <https://www.giz.de/en/worldwide/73408.html>

3.6. SOUTH-SOUTH COOPERATION

Through the network of NDC global support programme, the project will explore and share lessons and good practices from other countries to Viet Nam. Likewise, lessons from Viet Nam will also be exchanged with other country members in the programme.

3.7. KNOWLEDGE

Through experimentation with digital agriculture solutions for Agri-Business Data hub, the project aims at creating new data and knowledge products to support the policy formulation on climate resilience and emissions in the agricultural supply chain. Additionally, the Climate Business Index, which is a web-based voluntary registration system for private companies to benchmark and contribute to reduce GHG emission and address climate change impacts will provide an extensive database and monitoring mechanism to support the NDC implementation.

The project will produce regular knowledge products on lessons learnt annually. Lessons from deep dive process in Agriculture sectors will be documented and share via the Agri-Business Data Hub; Policy discussion and Technical briefs such as Catalogue of Technologies, Prospective Investment project portfolio of selected supply chains; Advisory and Supporting Facilities options, training packages for private sectors to develop pipelines/prioritised projects to implement NDC will be documented and shared via Private Sector Platform and regular NDC forums and policy dialogues.

3.8. SUSTAINABILITY AND SCALING UP

Financial sustainability of the project will be ensured through different types of built in mechanisms such as creating the SME funding window for stable financial framework for NDC financing. Additionally, other mechanisms are developed to match SME Funding with other financial sources (e.g. foundations).

Capacity development is mainstreamed throughout the project Outputs. The project will pilot incubation training modules for business actors in agriculture subsectors in close collaboration with MPI SME fund institution as well as partnership with VCCI. Successful application of the training modules will be expanded through relevant training institutions in MARD, VCCI and MPI as a capacity development training programmer for Private Sector in NDC from the end of year 2, contributing to the longer-term sustainability the project.

The project will encourage innovative generation of climate action information for implementation and monitoring performance and accountability of the business operation in Viet Nam toward climate resilient and low-emission business operation.

The national ownership will be ensured through close collaboration with VCCI and MONRE and other relevant ministries. The experimental initiatives and successful approaches from the Deep Dive intervention in Agriculture Sub-sectors will be elevated to a nation-wide scope and at the policy level through the NDC implementation platform chaired by the Government.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project approach is cost effective: It helps private sector to transform its performance toward more sustainable business and proactively shift their operation toward more integrated models that multiply different social economic and environment benefits. By engaging SME and accelerating their investments in supporting the Government in the implementation of NDC, the project will ensure effective connection of key NDC sectors, such as sustainable fruit production models, with downstream supply chains and markets. Development of business models for supply chain's level, and development of financial cases will allow to identify the most effective entry points for SMEs' investments and to design adequate financial instruments for de-risking investments and mobilizing additional financial capital.

Mitigation and adaptation co-benefits: the project will encourage the adoption of low carbon technology or reduction of GHG emission practices across the supply chain. The project also addresses the complex challenges of climate change on the supply chains via integrated measures to reduce climate risks and its long-term impacts. This is key to demonstrate the multiple benefits to enhance the resilience of the supply chains in a cost-effective manner for further replication in the other supply chains or NDC sectors. Various incentives and market information will be introduced by the project to generate systematic multiple social, economic and environmental impacts in targeted sectors and the lesson will be shared to other NDC sectors, which is considered an effective approach.

Partnership and innovation: the project continue to embrace and promote innovation and more diverse partnerships that help identify new ways, new technologies and innovative solutions to programme implementation and programme arrangement, financial management and monitoring, with the ultimate goal to reduce costs, improve the effectiveness of development assistance and remain adaptable, agile and responsive in a rapidly changing world. It will also generate lessons to leverage private finance and initiate business mobilization and improve policy environment to facilitate scaling up. So additional grant is expected to kick in to build on the findings and achievements of the project, replicate and integrate them through other commodity value chains, and disseminate at larger scale.

Project Management

UNDP is directly implementing the project and is the Responsible Party under the Multi-Year Work Plan July 2019 to June 2022. The Multi-Year Work Plan identifies the technical activities and planned budget at Outputs 1 to 4 and the direct support activities and planned budget at Output 5.

In 2014, UNDP updated its policies on cost-recovery and cost-distribution. A communication on this was issued to Member States Permanent Representatives to the UN in New York in December 2013. The aim of the new policy and guidelines is to reflect in development project budgets the 'true costs' of achieving development results, in line with UNDP principles of full transparency. All anticipated programmatic and operational costs to support this project are identified, estimated, and fully costed in the Multi-Year Work Plan. This includes the costs for activities that relate to technical matters identified at Outputs 1 to 4 and the costs for the direct support the project identified at Output 5 and other fixed costs such as GOUNH desks.

Title of Position	Level of Position	Direct Management of the Project - Key Functions	Allocation of time
Team Leader	NOD	Provision of full duties of high-level technical support of programme coherence and policy dialogues across line ministries	10% time/year x 3 years
Project Manager / Programme Analyst on Climate Change and NDC	NOB	Provision of full duties of Project Manager and provide high-level technical support for access to justice.	40% time/year x 3 years

Project Technical Officer, Private Sector and financing for NDC	National Consultant	Provide capacity building for Climate Investments in NDC, with particular focus on agriculture supply chain	Consultant part-time (with possible cost-share with UN-REDD for SC4 full time) x 3 years
Project Communication Specialist	National SC4	Provide specialist reporting and communications services, including support to Communications and Visibility Plan	20% time/year x 3 years
Project Administration and Finance, Programme Associate	National G6	Provide specialist administration support services (workshops, trainings, travel, and logistics) and procurement services.	50% time/year x 3 years
Short-term consultancy (international and national firm and individuals, interns)	Service contracts or individual contracts	Activity based consultants and or contractors to carry out the activities in the workplan	As per workplan

Project Office Costs

UNDP Viet Nam Office usual accounting and management practices for the calculation of 'Office Costs' (referred to by UNDP as Common Shared Building Operating Expenses), that are applied in a consistent manner regardless of the source of funding, are as follows, noting the two different formulas:

- Lease Building and Maintenance including utilities costs: This is calculated on the basis of how much space (square meters) each person occupies, and relates to actual costs.
- Common Security, Internet, ITC services and maintenance, Common Cleaning: This is calculated on the basis of per person, and relates to actual costs.

The type of costs taken into account are the costs to lease building and maintenance, utilities, security, internet provision, information technology communication services and maintenance, and cleaning.

There are two formulas that are used to define the costs to be charged to the project, with both being based on Actual Costs incurred. As mentioned above, they are calculated for Lease Building and Maintenance by 'per square meter each person occupies' and for Common Security, Internet, ITC services, cleaning it is 'per person'. The charges to individual projects are generally calculated, checked and deducted each quarter.

V. RESULTS FRAMEWORK¹⁶

¹⁶ 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.

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:							
The overall country intended outcome aims at addressing poverty and inequalities; enhance citizen participation and protection of rights; as well as promote sustainable low carbon development while strengthening resilience of the targeted groups.							
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:							
The proposed project aims to utilize an integrated approach on climate change adaptation and mitigation, low-carbon development and environment protection as prioritised under Outcome 2 of the Country Programme Document (CPD) for the period 2017-2021. "Promote low-carbon and climate-resilient development to improve people's well-being and expand the benefits of a more sustainable economy by facilitating partnerships with businesses and civil society, and assisting Government to enact more effective policies and regulations, including fiscal tools and a 'carbon tax' as well as awareness campaigns to promote behavioural change towards sustainable consumption".							
The project is aligned with the global UNDP NDC Support Programme contributing to three global outputs:							
(i)	<i>Output 3: Evidence-based design and planning of mitigation and adaptation actions delivered;</i>						
(ii)	<i>Output 4: Capacities developed to design climate-friendly investment opportunities, address investor risk, and blend and catalyse climate finance; and</i>						
(iii)	<i>Output 5: Private sector engagement systematized and enhanced.</i>						
Applicable Output(s) from the UNDP Strategic Plan:							
Project title and Atlas Project Number: Advance private sector engagement on climate resilient and low emission investment opportunities in Viet Nam NDC							
Objectives: Advance the private sector engagement to finance, support and implement technically sound and financially viable risk-informed mitigation and adaptation actions in Viet Nam NDC							
EXPECTED OUTPUTS	OUTPUT INDICATORS ³⁷	DATA SOURCE	BASELINE	TARGETS (by frequency of data collection)			RISKS
			Supply	Year	Year	Year	
				2019/20	2020/21	2021/22	FINAL

³⁷ It is recommended that projects use output indicators from the Strategic Plan IRRE, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

<p>Output 1: Acceleration of Productivity and Competitiveness of Fruit supply chain through sustainable resilient low emission innovations</p> <p><i>Output 3 of the Global NDC Support Programme: Evidence-based NDC planning and implementation: NDC targets disaggregated and national/sectoral roadmaps elaborated and costed. Financial strategies prepared and investment barriers assessed. Long-term vision defined.</i></p>	Global indicator: Number of countries systematically engaging private sector on inclusive NDC investment opportunities	Project Report	0	2018			1	1	Countries may find needed data is lacking and/or have lack of support from key Ministries for proposed targets.
	# At least 3 supporting facilities are functional to support private sector business in investing in Agriculture NDC measures	Project report, MARD Decision	0	2018	2	1	3	3	Level of interests of SME in agriculture sector is generally low. Need to start with pioneer firms/first movers in year 1 to demonstrate impacts
	# 01 Incubation training programme is introduced to support development of pipeline priorities and climate smart projects in Agriculture Sector	Project report, consultant report.	0	2018	1			2	Ownership of MARD' Crop Department is still weak, need strong engagement and coordination of MARD via private sector partnership on Agriculture
	# At least 8 business models in the supply chains for Agriculture get supported by NDC supporting facilities during the project timeframe	Project Report	0	2018	2	2	4	8	Capacity of firms on climate change and green technology in agriculture may hinder the innovation and advance technology application for low carbon and resilient measures in the beginning
	# At least 10 firms in agriculture supply chains get access to finance and improved supporting facilities from MPI SME Fund for NDC in the year 3	MARD Report	0	2018	0	4	6	10	Ownership of Leading firms to work/co-finance with MARD on a share data platform for the joint projects of the whole supply chains
	# 01 Agri-Business Data Hub to support SME in green supply chain functional and self-financed by the private sectors and MARD focal point	MARD Report	0	2018	0	1		1	

Output 2	Global Indicator: Number of new or improved institutionalised structures and processes for NDC implementation	Project Report	0	2018	3	2	1	6 (see below)	
Platform for Public-Private Dialogue, Green Innovation and Investments strengthened	# One Private Sector Advisory Network established link with NDC IP	Project Report	0	2018	1			1	Low level of interest at Senior Representative of the Firms and Ministries, to join the advisory network
Output 5 of the Global NDC Support Programme: Enhance private sector engagement to facilitate public-private dialogues on NDC priorities and map non-state initiatives supporting targets. Promote non-traditional roles for women.	# At least 3 Investment Forum for NDC as part fo NDC IP # A CBI Platform established with at least 1000 firm registered over three years # 01 Transparency platform established for large emitter firms/supply chains, particularly those who are highly consuming the energy and environment resources	MONRE DCC Report Project Report MONRE Report	0	2018	1	1	1	3 1 1	Lack of incentives for firms to register to UNDP Platform The NDC Implementation Platform lack of enforcement for transparency

<p>Output 3 Sustainable finance mechanisms established to scale up NDC mitigation and adaptation actions</p> <p><i>Output 4 of the Global NDC Support Programme: Finance and investment de-risking – Implement barrier removal and de-risking strategy. Design inclusive financial mechanisms to catalyse finance.</i></p>	<p><i>Global indicators: Number of financing mechanisms established to support NDC implementation</i></p> <p><i># An improved mechanism for climate financing is integrated into the SME Fund in year 2 with institutionalise NDC supporting facilities in year 3</i></p> <p><i># 01 Study on Innovative Climate Financing options are explored for the SME</i></p> <p><i># 01 Financial Framework for sustainability of NDC private sector financing mechanism established and integrated into the NDC implementation process by MONRE</i></p> <p><i># Evidence of institutionalisation of the private sector training programme for NDC acceleration in MPI SME Fund, VCCI, MARD, MONRE</i></p>	<p>Project Report</p> <p>Project Report</p> <p>Project report.</p> <p>Project report, MONRE report</p> <p>MONRE, MARD and MPI SME Fund Reports</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>2018</p> <p>2018</p> <p>2018</p> <p>2018</p> <p>2018</p>	<p></p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>2</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>2</p>	<p>Country may not have capacities for designing appropriate financial instruments.</p>
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<p>Output 4 Policies and Incentives created to advance private sector engagement in investment opportunities in national plans</p> <p>Output 5 of the Global NDC Support Programme: Enhance private sector engagement to facilitate public-private dialogues on NDC priorities and map non-state initiatives supporting targets. Promote non-traditional roles for women.</p>	<p>Global indicator: Number of countries systematically engaging private sector on inclusive NDC investment opportunities</p> <p>Global indicator: Number and type of knowledge products generated and disseminated (including gender targets)</p> <p># A private sector engagement framework is developed as part of NDC Implementation Platform</p> <p># A roadmap to enhance inclusive business in NDC Implementation Platform with regular policy dialogues with Government</p>	<p>Project Report</p> <p>Project Report, Country Office website</p>	<p>0</p> <p>1</p> <p>0</p> <p>0</p>	<p>2018</p> <p>2018</p> <p>2018</p> <p>2018</p>	<p>1</p> <p>2</p> <p>1</p> <p>1</p>	<p>1</p> <p>2</p> <p>1</p> <p>1</p>	<p>1</p> <p>6</p> <p>1</p> <p>1</p>	<p>Quantify private sector comments on plans and proposals</p> <p>Private sector may be unwilling to partner with governments on mitigation actions</p>
<p>Output 5 Knowledge Building and Project Management</p>	<p>Number and types of advocacy</p>	<p>Media reports, blogs, editorials, briefs, newsletters</p>	<p>0</p>	<p>2017</p>	<p>1</p>	<p>1</p>	<p>1</p>	<p>May be difficult to ensure private sector attentions via regular media traction</p>

VI. MONITORING AND EVALUATION

in accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	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.
Monitor and Manage Risk	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. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	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.
Learn	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.
Annual Project Quality Assurance	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.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	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.	Annually, and at the end of the project (final report)	

<p>Project Review (Project Board)</p>	<p>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.</p>	<p>Specify frequency (i.e., at least annually)</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>
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VII. MULTI-YEAR WORK PLAN 1619

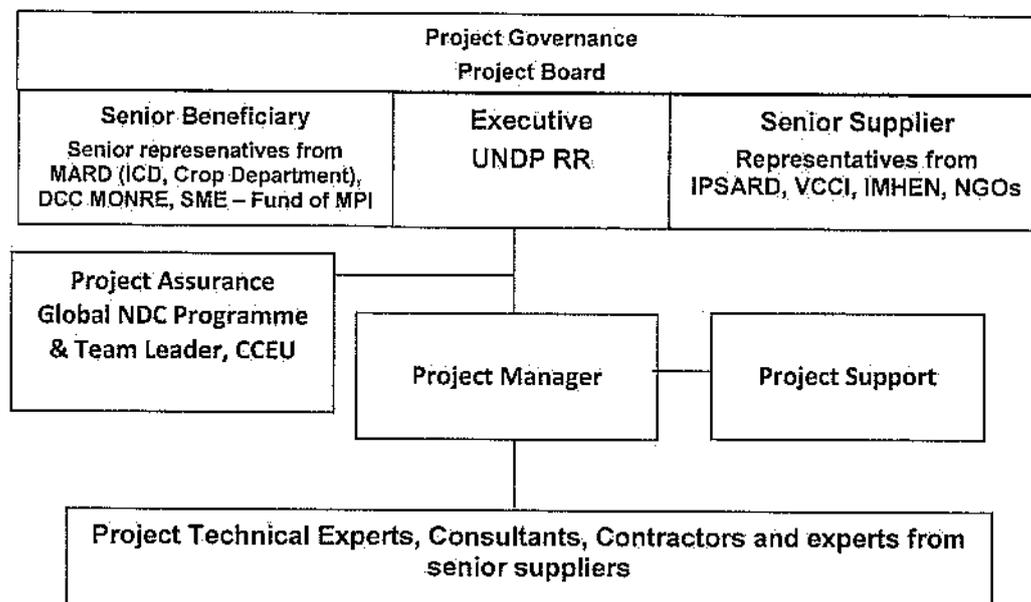
Project Outputs	Key Results/Activities	Budget Descriptions	Budget from BMU	Budget from EC	Year 1				Year 2				Year 3							
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Output 1: Productivity and Competitiveness of Agricultural Sectors and its supply chains are advanced with sustainable resilient low emission innovations	1.1 - Key climate risks, mitigation and adaptation potential and pioneer firms identified in the selected agriculture supply chain 1.1.1. Report on the commodity supply chain and stakeholder mapping conducted; 1.1.2. Identify and coalition of pioneer firms 1.2 - Design supporting facilities to improve low carbon and climate smart projects in the targeted supply chains 1.2.1. Study and consultations to design NDC supporting facilities for fruit sectors ; 1.2.2. Consultation to finalize the NDC supporting facilities and incentive packages 1.2.3. Dialogue with Provincial and National Government to institutionalize the de-risking investment facility and regular update of prioritized investment project portfolio in year 2 and 3 1.3 - Incubation trainings for selective firm coalitions in the fruit supply chain to develop prioritized investment projects or improved green business operation plans 1.3.1. Incubation training for pioneer firms 1.3.2. Upgrade the training in the following years and sharing the lessons with other sectors 1.4 - Deployment of supporting facilities to build innovative models and accelerate green business plans in the identified value chains	01 firm 2 local consultation with firm 01 firm 2 consultation workshop 2 dialogues in year 2 & 3; firm to design trainings + revision of training	40,000 10,000 40,000 10,000 20,000 40,000 50,000																	

¹⁸ 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

¹⁹ 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.

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The roles and responsibilities of the parties involved in governing and managing the project is summarised as below:



Under this governance structure, the Project Board is established as the highest management level to decide programming directions of the Private Sector for NDC. The Project Board will provide the overall guidance and orientation on the annual work plans for implementation of the Project. The Board meet at least annually at the regular forum for NDC Private Sector Investment Forum, as part of the NDC Implementation Platform that UNDP and Development Partners are supporting. At the same time, the project is also establishing and mobilising members from NDC Private Sector Advisory Network among Senior Representative of the Leading Firms for Climate Change in Viet Nam, MONRE, MARD, UNDP for provide support of the Private Sector Communities who are participating in the project initiatives.

The MONRE DCC will act as the main national coordinating agency in the implementation of NDC and its related Implementation Platform. The MARD – Crop Department and Its Private Sector Partnership will act as the main government authorities to setting policy and institutional support to private sectors who are working on Agriculture Supply Chain. The Small and Medium Enterprise Development Fund is the catalyse financial mechanism established by the Government to support private sector in developing their business in close alignment with the national strategies and development agenda. As such, the agencies will be responsible for ensuring sufficient national capacity and coordination with relevant national counterparts to contribute to and support the implementation of the Project.

Direct communication and reporting to the European Union will be done via UNDP and in line with reporting requirements set out in the General Conditions, Annex II to the Co-delegation Agreement.

UNDP is directly implementing the project and is the Responsible Party under the Multi-Year Work Plan July 2019 to December 2021. The Multi-Year Work Plan identifies the technical activities and planned budget at Outputs 1 to 4 and the direct support activities and planned budget at Output 5.

The project team involved in the Direct Management of the Project will be based in UNDP Country Office (see section IV).

IX. LEGAL CONTEXT

[NOTE: Please choose one of the following options, as applicable. Delete all other options from the document]

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAA's for the specific countries; or (ii) in the Supplemental Provisions to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by [name of entity] ("Implementing Partner") 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 an Implementing Partner does not provide the required guidance to ensure best supply for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

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]²⁰ [UNDP funds received pursuant to the Project Document]²¹ 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/aa_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. 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.
6. 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 [or 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:
 - 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;

²⁰ To be used where UNDP is the Implementing Partner

²¹ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- 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. 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.
- d. 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.
- e. 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.
- f. 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.

- g. 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.

- h. 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.
- i. 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.
- j. 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.

XI. ANNEXES

- 1. **Social and Environmental Screening Template [English][French][Spanish], including additional Social and Environmental Assessments or Management Plans as relevant – See Annex 1**
- 2. **Risk Log – See Annex 2**
- 3. **Detail budget plan – See Annex 3**