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United Nations Development Programme

PROJECT DOCUMENT

[Viet Nam]

Project Title: Scaling Multi-Stakeholder Partnerships (SMSP) for Circular and Sustainable Waste Management (Phase 3)

Project Number: 01004617

Implementing Partner: United Nations Development Programme (UNDP)

Start Date: 01 May 2025 **End Date:** 30 April 2028 **PAC Meeting date:** 27 May 2025

Brief Description
Viet Nam faces a growing challenge in managing domestic solid waste (DSW), particularly low-value waste streams which often escape collection systems and end up in landfills, open dumpsites, or the environment. Recent data suggests approximately 64% of the country's total waste is disposed of in landfills[1]. A study on waste composition in the Long My landfill site, Binh Dinh province, carried out by UNDP Viet Nam 2023, showed that low-value plastic waste, i.e., nylon bags, single-used plastic, plastic packaging, styrofoam boxes, etc. accounted for 20.4% of total DSW received per day. In addition, other non-recyclable waste such as paper, rubber and garments occupied an average of 8.4% of total DSW transported to the landfill per day. Despite national commitments to transition to a circular economy and enhance waste reduction, inefficiencies in waste sorting, collection, and recycling infrastructure hinder progress. For example, the National Waste Management Strategy[2] provides specific targets for 2025, such as limiting the landfilling ratio of DSW to less than 30% of the collected volume. However, to date, landfilling is still the dominant treatment modality in almost all localities, with localised guidelines for provinces and cities to enhance waste sorting and recycling solutions not yet developed. Additionally, whilst the informal waste sector plays a significant role in material recovery, there is growing recognition of the need for the private sector to support investment into and development of sustainable waste management models. Yet, the absence of effective economic incentives, such as Deposit Return Schemes (DRS), and insufficient public-private collaboration limit opportunities for scaling waste-to-resource solutions. Nonetheless, there is already a strong foundation of ongoing initiatives that are driving Viet Nam's transition toward a circular economy, supported by Norway and UNDP. Since 2019, the two partners have collaborated across five cities and provinces, Quang Ninh, Da Nang, Binh Dinh, Binh Thuan, and Binh Duong, implementing projects that address key stages of the DSW flow and plastic value chain. Their efforts have focused on strengthening policy frameworks, fostering innovation, enhancing waste collection and sorting, promoting recycling, engaging the private and informal sectors, and advancing co-processing as an alternative to landfilling. One key achievement of this partnership is the waste management model integrated in Binh Dinh, where a Material Recovery Facility (MRF) and a waste sorting at-source program were established for Quy Nhon City in collaboration with both the local recycling entity and a leading plastic recycling company in Viet Nam, Duy Tan Plastic Recycling (DTR) Company. The MRF has strengthened its network of informal sector, waste collection workers and plastic waste collection points inside the city, to collect plastic waste from households, fishing boats, hotels, restaurants and Long My landfill, to turn them into materials for the plastic industry, through pre-treatment and recycling processes. Additionally, projects such as the Ocean Plastic Turned into an Opportunity in Circular Economy (OPTOCE), led by SINTEF and funded by NORAD, have demonstrated the potential of co-processing as a solution to reduce ocean plastic pollution while decreasing industrial coal dependency. Meanwhile, a Deposit Return Scheme (DRS) scoping study in Phu Quoc Island, conducted by Eunomia and Innovation Norway, has explored how this proven mechanism can enhance high-quality material recovery and recycling. These efforts are further reinforced by ongoing institutional capacity building from the Norwegian Embassy and UNDP, which has played a pivotal role in advancing the Extended Producer Responsibility (EPR) framework in Viet Nam. By convening policymakers, business leaders, NGOs, and environmental experts, the partnership is facilitating open

[1] https://asianews.network/waste-woes-vietnam-seeks-sustainable-solutions/?

[2] Decision No. 491/QD-TTg dated May 07, 2018 issued by the Prime Minister

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dialogue on regulatory improvements and market-based solutions. UNDP's technical assistance to the Ministry of Agriculture and Environment (MAE) in developing a Strategic Policy Brief has provided comprehensive and actionable recommendations to strengthen local, regional, and national policy planning for solid waste management, enforcement, and infrastructure. This policy framework aims to promote integrated waste management models based on the waste hierarchy, ensuring that co-processing, MRF development, and recycling solutions are prioritized according to local infrastructure availability.

To this end, this project aims to synergise and streamline with past and ongoing initiatives, connecting the aforementioned pilots, studies and advancements to continue addressing the challenges posed by DSW generation and management of non-recyclable wastes, through further contextualising models for waste recovery and recycling, whilst strengthening the enabling policy and regulatory environment to do so. The project is therefore structured around three key outcomes:

(i) establishing an effective DSW management model that enables the recovery of high- and low-value waste streams through improved policies, guidelines, sorting infrastructure, and a Material Recovery Facility (MRF) for the diversion of non-recyclables, including low-value plastic waste, from landfill to recycling or recovery end-markets (i.e., co-processing);
(ii) design testing of a scalable and contextualised DRS model in Viet Nam to incentivize waste segregation, collection and recycling; and
(iii) enhancing national policy frameworks, knowledge dissemination, and monitoring systems to drive scalable and holistic sustainable waste management.

Expected results at the provincial level include a strategic roadmap for low-value plastic (LVP) waste management, strengthened sorting-at-source infrastructure and enforcement capacities, the establishment of a public-private partnership for an MRF to manage LVP for co-processing, and the successful establishment of a public-private partnership to design test a scalable DRS model in Viet Nam. Additionally, the project will contribute to national policy strengthening, facilitate cross-provincial knowledge exchanges, and provide robust monitoring and evaluation mechanisms for a transparent transition towards a circular economy. By integrating gender considerations and leveraging digital technologies throughout the programme, the project will ensure inclusive and data-driven solutions that support the reduction of DSW pollution.

Contributing Outcome (UNSDCF, CPD):

UN Sustainable Development Cooperation Framework (UNSDCF):

CLIMATE CHANGE RESPONSE, DISASTER RESILIENCE AND ENVIRONMENTAL SUSTAINABILITY

Outcome 2: By 2026, people in Viet Nam, especially those at risk of being left behind, will benefit from and contribute to a safer and cleaner environment resulting from Viet Nam's effective mitigation and adaptation to climate change, disaster risk reduction and resilience building, promotion of circular economy, the provision of clean and renewable energy, and the sustainable management of natural resources

UNDP Country Programme Document:

Output 2.2: Policies and solutions designed and implemented for transformation to low-carbon development, circular economy and environmental protection.

The project will contribute to the national transition towards a circular economy in waste management whilst enabling environmental protection through the implementation of strengthened domestic waste management models and systems that seek to reduce the amount of waste landfilled or leaked into the environment, while encouraging the collection and reuse of recyclable materials, thereby contributing to SDG9' Sustainable Consumption and Production' and SDG11' Sustainable Cities and Communities'.

Indicative Output(s) with gender marker[3]: GEN2

[3] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output:

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Total resources required:		
Total resources allocated:		**USD1,754,526**
	NORAD:	NOK 15,000,000, equivalent to USD 1,406,470*
	AEPW	USD 348,056
	Government:	N/A
	In-Kind:	N/A
Unfunded:		

*Exchange rate based on 14/03/2025 UN Treasury Operational Rate of Exchange [USD 1 = NOK 10.665]

Agreed by (signatures):

UNDP

DocuSigned by:
F91282F9F586428...

Print Name: Ramla Khalidi

Title: Resident Representative

Date: 15-Jun-2025

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)

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I. DEVELOPMENT CHALLENGE

Solid waste management continues to stand as one of the world's major development challenges, with an increasingly heavy burden on emerging and fast-growing economies, including Viet Nam. This can be attributed, in large part, to a growing population which has directly led to an increase in domestic solid waste (DSW) generation.

Viet Nam's population in 2023 stood at 100.3 million people, a 15% increase from the 2010 census[4], and currently DSW generation stands at approximately 67,000 tonnes per year, with urban areas contributing close to two thirds of this total[5]. Despite national targets presented in the Viet Nam National Strategy of Integrated Solid Waste Management to 2025 (vision to 2050) to only landfill 30% of DSW by 2025[6], it is reported that approximately 65% of DSW continues to be disposed of in landfills, many of which are reaching or have reached full capacity[7].

Policy and Regulatory Environment

Recent environmental policies have advanced the institutional and regulatory landscape to improve and foster more sustainable waste management in Viet Nam, such as[8]:

Policy/Legislation	Year	Focus
Decision No. 491/QD-TTg	2018	Approving adjustments to the national strategy for general management of solid waste to 2025 with vision towards 2050.
Decision No. 1746/QD-TTg	2019	Approving the National Action Plan on marine plastic debris management through 2030.
Law on Environmental Protection (LEP)	2020	Regulating environmental protection activities and the rights, obligations, and responsibilities of agencies, organizations, residential communities, households, and individuals in these activities.
Decision No. 889/QD-TTg	2020	Approving the National Action Programme for sustainable production and consumption for 2021-2030.
Directive No. 33/CT-TTg	2020	Strengthening of management, reuse, recycling, disposal and reduction of plastic waste.
Decision No. 1316/QD/TTg	2021	Approving the proposal for strengthened management of plastic waste in Viet Nam.
Circular No. 02/2022/TT-BTNMT	2022	Detailing several articles of the Law on Environmental Protection
Decree No. 08/2022/ND-CP	2022	Elaborating of several articles of the LEP.
Decision No. 450/QD-TTg	2022	Approving the national environmental protection strategy until 2030 and vision until 2050
Circular No.36/TT-BTNMT	2024	Issuing economic - technical norms for collection, transportation, and treatment of municipal solid waste
Decree No. 05/2025/ND-CP	2025	Amending and supplementing several articles of Decree No. 08/2022/ND-CP.
Decision No. 222/QD-TTg issuing National Action Plan for the implementation of Circular Economy	2025	Establish a system of sustainable production and consumption structures, effectively utilize natural resources, maximize the use of recycled materials, limit waste generation, and reduce negative environmental impacts

Whilst these recent environmental protection and waste management policies, regulations, decrees and decisions have been developed, Viet Nam continues to encounter numerous challenges that hinder its transition towards sustainable DSW management:

1. Nascent or under-resourced waste reduction, recovery and recycling measures: at source sorting of DSW at the household level is in early-stage implementation, having come into effect nationwide as of 01 January 2025 to improve the efficiency of waste segregation for diversion from landfilling to recovery and recycling markets. Both technical and infrastructural capacities to implement, monitor and enforce such changes at the provincial level remain limited. The lack of synchronization between the infrastructure for separate collection, transportation, and treatment creates challenges for cities in sorting 4 categories of municipal solid waste separately, especially food waste where composting facilities are unavailable.

2. Informal and unstructured waste recovery and recycling sector: DSW collection for recovery and recycling remains largely informal and focused on high-value materials, such as PET plastics or aluminium cans. Investors are hesitant

[4] General Statistics Office (N.D.). Population. [Selected whole country for 2023.] Available at: link.
[5] Waste sorting at source remains unimplemented in many areas
[6] Viet Nam National Strategy of Integrated Solid Waste Management to 2025 (Vision to 2050)
[7] Waste woes: Vietnam seeks sustainable solutions
[8] WWF Report on Plastic Waste Generation in 2022

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to enter this sector due to low perceived profitability and high risks, while existing policies do not provide sufficient incentives or a cohesive regulatory framework to encourage investment and innovation.

3. Limited alternatives to landfilling: the burden of waste recovery and treatment within DSW is significant, with landfilling remaining the dominant disposal method. Although some provinces have implemented recovery or recycling initiatives, these approaches are not widespread or systematically integrated into DSW management policies. As Viet Nam seeks solutions to address its escalating waste management challenges, there has been a sharp increase in investments in Waste-to-Energy (WtE) incineration plants, largely driven by the urgency to reduce landfilling. The government has included WtE in its National Strategy of Integrated Solid Waste Management, which aims to gradually reduce landfill dependency, aligning with global trends in waste valorisation. Several large-scale WtE plants have already been developed or are in the pipeline, particularly in urban centres such as Ha Noi and Ho Chi Minh City. However, WtE requires high capital investment (USD 200–300 million per plant) and often lacks financial sustainability due to high operational costs and inconsistent waste supply[9]. Many facilities also fail to comply with emissions standards, and a critical concern is that Viet Nam's mixed municipal waste contains up to 30% plastic, which, when incinerated at suboptimal temperatures, can release microplastics into the environment[10]. For example, WtE incineration typically operates at 800–900°C, which may be insufficient to fully break down certain plastic waste components. At these temperatures, plastics can partially degrade rather than fully combust, leading to the potential formation of microplastics in bottom ash and fly ash, which can pose long-term environmental and health risks if not properly managed. Studies suggest that WtE plants with inadequate temperature control and air pollution filtration systems may release fine plastic particles into the air or contribute to their accumulation in residual ash. As such, given these risks, WtE should be a last resort, used only when no better alternatives exist.

4. Lack of fully circular systems: advanced circular economy solutions such as Deposit Return Schemes (DRS), which incentivize the return of waste for recycling, have yet to be effectively implemented in Viet Nam. While these systems are widely recognised as international best practices, their application in-country remains at the conceptual stage due to regulatory, financial, and logistical barriers. Without concrete implementation showcasing the potential of such systems, Viet Nam misses out on the potential benefits such closed-loop systems can have in reducing high-value waste leakage and in-turn increasing recycling rates.

Nonetheless, a recent Official Dispatch by the Prime Minister, released 20 February 2025 (*No: 17/CD-TTg*), reconfirms Viet Nam's collective commitment across the public and private sector to promoting a circular economy, with Heads of ministerial-level agencies, relevant agencies, Chairmen of People's Committees of provinces and centrally-run cities, industry associations and entrepreneurs urged to proactively, synchronously and effectively organize and implement the tasks and solutions assigned in the Government's Resolutions and the Prime Minister's directives on sustainable development, circular economy, sustainable production and consumption, economical and efficient use of energy, and environmental protection.

Key priority areas highlighted in the Dispatch within the waste management sector include strengthening and promoting the implementation of policies and regulations on EPR, promoting the application of solutions for waste classification at-source, increasing collection, and piloting recovery, reduction, reuse, and recycling initiatives; minimizing waste generation and negative impacts on the environment; and promoting the implementation of local policies and action plans on sustainable production and consumption.

At-Source Sorting

The Decree 08/2022 guiding the implementation of the LEP 2020, stipulates that cities and provinces shall implement waste sorting at-source before December 31, 2024. To date, this exercise has been implemented in pilot scale only. For example, Ha Noi has implemented the program in 05 districts, including Hoan Kiem, Ba Dinh, Dong Da, Hai Ba Trung and Nam Tu Liem, focusing on sorting DSW into four categories: recyclable waste, bulky waste, hazardous waste, and other waste[11]. In Binh Dinh province, waste sorting at source is being piloted in 02 wards of Quy Nhon City (Nguyen Van Cu Ward and Ngo May Ward), in which recyclable waste, hazardous waste and other waste are separated[12]. In Ho Chi Minh City, a program is being piloted requiring significant waste generators, such as wholesale markets, restaurants,

[9] ADB (2021). *Waste-to-Energy in Asia: Status and Prospects.* Asian Development Bank
[10] World Bank (2022). *Plastic Waste in Viet Nam: Challenges and Opportunities for a Circular Economy.* World Bank Group
[11] https://vietnamnews.vn/environment/1691903/waste-sorting-at-source-remains-unimplemented-in-many-areas.html
[12] UNDP. Available at: link

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hotels, and shopping centres, to sort waste into three categories: recycled waste, organic waste, and other waste[13]. Throughout 2023 and into 2024, Da Nang city's authorities focused on public education campaigns to promote waste segregation at source, in which the city's initiatives included environmental festivals, recycling programs in schools, and collaboration with social-political organizations to raise awareness[14]. In Quang Ninh province, the People's Committee of Cam Pha City has issued the city's plan on waste sorting at source (the Plan no. 277/KH-UBND issued in Oct. 2024 on Waste Sorting at Source Plan for Cam Pha City), including recyclables, food wastes and others. However, according to the city's report in December 2024[15], municipal solid waste of the city is treated by landfilling only, which has reached full capacity.

Despite these efforts, effective waste sorting at source in Viet Nam faces challenges, including limited public awareness, inadequate infrastructure development, and inconsistent enforcement of regulations. The economic-technical norms for the collection and treatment of household solid waste serve as the basis for service providers to develop pricing plans and submit them to the competent authorities for review, appraisal, and issuance of the maximum service fees for the collection, transportation, and treatment of DSW. These new norms have been issued under Circular No. 36/2024/TT-BTNMT, which has only come into effect as of February 6, 2025.

Waste Recovery and Recycling Systems

While the informal sector plays a key role in minimising leakage of high-value waste, including plastics like PET and aluminium cans, into the environment, high-value and low-value waste streams, such as LVPs including multilayer packaging and film plastics, remain largely unmanaged, contributing to environmental pollution, marine litter, and lost economic opportunities. The absence of municipal-level systematic sorting, collection, and processing infrastructure exacerbates inefficiencies in waste recovery, leading to disposal rather than reuse.

Material Recovery Facilities:

Material Recovery Facilities (MRFs) offer a critical solution by enabling efficient sorting, aggregation, and pre-processing of waste which are currently underutilized, such as LVPs. Establishing MRFs can contribute to reducing landfill dependence, increasing recycling and waste recovery rates, and supporting the transition to a circular economy by creating a structured system for waste valorisation. Additionally, MRFs provide opportunities to strengthen the integration of the informal waste sector into waste value chains, ensuring better working conditions and fairer compensation while enhancing the supply of quality secondary raw materials for domestic recycling and recovery markets.

The integration of MRFs into waste management systems is in the nascent stages in Viet Nam, with the partnership between the Norwegian Embassy in Hanoi and UNDP piloting this waste management model in Binh Dinh, where a Material Recovery Facility (MRF) and a waste sorting at-source program were established for Quy Nhon City in collaboration with both the local recycling entity and a leading plastic recycling company in Viet Nam, Duy Tan Plastic Recycling (DTR) Company. The MRF has strengthened its network of informal sector, waste collection workers and plastic waste collection points inside the city, to collect plastic waste from households, fishing boats, hotels, restaurants and Long My landfill, to turn them into materials for the plastic industry, through pre-treatment and recycling processes.

Co-Processing:

Co-processing in cement kilns is gaining traction in Viet Nam as a viable alternative to WtE for managing waste with a high calorific value, such as LVPs. Cement kilns operate at temperatures above 1,450°C, ensuring the complete destruction of plastics without generating microplastics or toxic emissions[16]. Research conducted by the Norwegian Foundation for Scientific and Industrial Research (SINTEF) indicated that each year, approximately 10 million tonnes of anthracite coal are consumed for cement manufacturing, therefore, identifying alternatives to partially replace the use of coal, such as co-processing of non-recyclable plastics, is critical to reduce fossil fuel consumption and CO_2 emissions within the industry whilst allowing for the recovery of energy from materials that would otherwise end up in landfill[17][18].

[13] https://vietnamnews.vn/environment/1687858/hcm-city-to-accelerate-waste-sorting.html
[14] https://baodanang.vn/english/society/202312/da-nang-promotes-public-behaviour-change-for-strengthening-waste-segregation-at-source-3961748/
[15] Report no. 707/BC-UBND dated December 13, 2024, issued by Chairperson of Cam Pha City People Committee
[16] GIZ (2020). *Guidelines on Co-Processing of Waste in Cement Production.* Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
[17] IFC (2017). *Unlocking Value: Alternative Fuels for Cement Production.* International Finance Corporation
[18] SINTEF (2022) Co-Processing of Alternative Fuels and Raw Materials in the Vietnamese Cement Industry. Available at: link

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Initial co-processing trials in Viet Nam have already demonstrated the technical feasibility and environmental benefits of using LVP waste as an alternative fuel in cement kilns. Pilots conducted through the OPTOCE project, supported by SINTEF and NORAD, have validated that co-processing safely destroys plastic waste at high temperatures (above 1,450°C), ensuring zero microplastic emissions while also reducing coal consumption in cement manufacturing.

Leading cement producers in Viet Nam have therefore started to integrate co-processing into their operations, leveraging Refuse-Derived Fuel (RDF) from non-recyclable plastic waste to reduce fossil fuel dependency. This shift aligns with the Government of Viet Nam's circular economy agenda, as well as global net-zero commitments, highlighting the scalability and long-term viability of co-processing as a key waste treatment and emissions reduction strategy.

With Viet Nam ranking among the top 5 global cement producers, the sector presents a significant opportunity to scale co-processing nationally. By scaling up co-processing, the sector can reduce dependence on fossil fuels, cut CO_2 emissions from cement production, divert plastic waste from landfills and incineration, contributing to more sustainable waste management, and reduce operational costs for businesses, as RDF from LVP waste can be a more cost-effective fuel alternative. Currently, co-processing is more accessible and economically viable in the North of Viet Nam, where a higher concentration of cement plants and existing RDF processing facilities create a strong foundation for scaling up. However, expanding co-processing across the country will require investment in sorting-at-source and RDF production to ensure a consistent supply of high-quality alternative fuels, stronger regulatory frameworks and policy incentives to encourage wider adoption by cement producers, and public-private partnerships (PPPs) to integrate co-processing into national waste management strategies under the EPR framework. This is crucial to enable the triple benefit co-processing can provide in comparison to the growing practice of WtE at the provincial level:

1. Safer: high temperature combustion prevents the formation of microplastics, no toxic residues or fly ash as they are absorbed into the cement clinker, and enforcement of strict emissions controls ensure advanced filtration systems are incorporated to avoid air pollution;
2. Effective: recovering up to 100% of the energy from alternative fuels (i.e., LVP), eliminates landfill reliance whilst WtE produces residual ash that must be disposed of safely; and
3. Efficiency: reduced fossil fuel dependency, lower capital and operational costs, and strong market demand in the cement industry for alternative fuels to reach decarbonisation targets and combat rising energy costs.

Deposit-Return Scheme:

Single-use PET bottles and metal cans (primarily aluminium) dominated Viet Nam's beverage container market, with 7.9 billion metal cans (55%) and 6.2 billion PET bottles (43%) sold in 2019, compared to minimal glass bottles (1%) and liquid paperboard cartons (1%)[19]. PET bottles were mainly used for water, energy drinks, and iced tea, while metal cans were prevalent for beer, cider, and carbonated drinks[20]. In 2020, an estimated 77% of aluminium cans, 45% of PET bottles, 32% of HDPE and PP bottles, 14% of glass bottles, and 4% of liquid paperboard cartons were recycled[21]. While aluminium cans had the highest recycling rate, a 2022 study found that most were downcycled rather than used in a closed-loop system, with 98% of collected cans repurposed for products like automotive parts in craft recycling villages, and only 2% exported for closed-loop recycling[22].

The growing consumption of single-use beverage containers, which doubled between 2010 and 2019, and their contribution to littering, has highlighted the lack of closed-loop waste management systems in operation. Whilst single-use beverage containers are popular in Viet Nam, there is a high consumption rate of refillable beverage containers, particularly glass bottles, which have demonstrated the efficiency of closed-loop, DRS models. For example, the majority of glass beverage bottles consumed in Viet Nam are refillable (6.3 billion in 2019) as opposed to single-use (0.1 billion in 2019)[23]. Producers implementing DRS mechanisms for their glass bottles often report high return rates from consumers, with one beer manufacturer reporting an almost 100% return rate[24].

[19] Reloop (2024). What We Waste Dashboard. Available at: link.
[20] https://cantocan.com.vn/recyclingratevn/images/vietnam-recycling-rate-and-cost-report-2022-by-eunomia-consultancy.pdf
[21] Reloop (2024). What We Waste Dashboard. Available at: link.
[22] Eunomia (2022)
[23] https://cantocan.com.vn/recyclingratevn/images/vietnam-recycling-rate-and-cost-report-2022-by-eunomia-consultancy.pdf
[24] Heineken Vietnam (2019). Heineken Vietnam Leads the Sustainability Agenda in Vietnam with Circular Economy Approach. Available at: link

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As such, there is significant opportunity to pilot DRS models for single-use products such as PET bottles, with well-designed interventions that actively engage producers, distributors, retailers, recyclers, consumers, and informal sector stakeholders in a structured value chain, showcasing an ability to achieve high return rates of over 90%.

Without targeted investments to enhance recovery and recycling systems, Viet Nam risks further environmental degradation, economic losses from waste resources, and continued challenges in meeting its national and international waste management commitments.

II. STRATEGY

Overview

The objective of Phase 3 is to deploy and test a range of sustainable DSW interventions in targeted locations in order to generate key learnings from which to scale-up, refine and replicate successful interventions across Viet Nam. Through adopting a systems approach that integrates policy development, infrastructure investment, behavioural change, private sector and informal sector engagement, and knowledge management to transition towards a circular economy for DSW management, and by drawing from global best practices and lessons learned from similar contexts, the project is designed to maximize results through:

I. **Multi-stakeholder collaboration:** Engaging government, private sector, informal waste workers (IWWs), and local communities to create shared ownership and ensure sustainability.
II. **Public-Private Partnerships (PPPs):** Leveraging private sector investment and expertise to support MRF and DRS design, infrastructural development and system operationalization.
III. **Behavioural Change & Incentives:** Encouraging sorting at-source and improved waste management (recovery and recycling) through awareness campaigns, incentives, and regulatory enforcement.
IV. **Scalability & Replication:** Developing policies and operational models that can be replicated and integrated into national waste management strategies.
V. **Gender and Social Inclusion:** Ensuring equal participation of women and marginalized groups in waste management decision-making and implementation.

It seeks to contribute towards the achievement of both the:

- **UN Sustainable Development Cooperation Framework (UNSDCF):** specifically under Climate Change Response, Disaster Resilience and Environmental Sustainability – Outcome 2: By 2026, people in Viet Nam, especially those at risk of being left behind, will benefit from and contribute to a safer and cleaner environment resulting from Viet Nam's effective mitigation and adaptation to climate change, disaster risk reduction and resilience building, promotion of circular economy, the provision of clean and renewable energy, and the sustainable management of natural resources; and
- **UNDP Country Programme Document (CPD):** specifically Output 2.2: Policies and solutions designed and implemented for transformation to low-carbon development, circular economy and environmental protection.

By strengthening domestic waste management systems to minimize landfill disposal and environmental leakage, while expanding the collection and reuse of recyclables, the project will accelerate Viet Nam's transition to a circular economy, enhance environmental protection, and advance SDG 9 (Sustainable Consumption and Production) and SDG 11 (Sustainable Cities and Communities).

Project Locations

Potential project locations under the NORAD funds include:

- Quang Ninh province, specifically Cam Pha City: there is an urgent need to strengthen the local waste management system to enable the recovery of waste from DSW sources and avoid its disposal at the Mong Duong landfill. This is critical as the existing engineered cells of the landfill have reached full capacity. Although the site only utilises 7 hectares of the 45 hectares available, local authorities lack the financial resources to either expand the engineered cells or remediate the recoverable waste already disposed of. Moreover, following the directive of the Politburo on merging district-level administrative units[25], Cam Pha City's organizational structure will be restructured. It is foreseen that Cam Pha will serve as the waste treatment hub for the eastern region of Quang Ninh province, covering Cam Pha City, Tien Yen District, and Van Don District. Consequently, the daily waste volume is projected

[25] Conclusion No. 127-KL/TW issued on February 28, 2025.

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to double, reaching approximately 400 tons. Key steps have therefore been taken at the provincial and municipal level during project design phase to explore the interest and willingness of the private sector to engage and support the development of a sustainable DSW system that is capable of diverting recyclable and recoverable waste from landfill, which this project seeks to build on. The project will provide technical support to infrastructure design and partial financial investment on equipment systems for a sorting centre, which facilitates segregation of recyclables for recycling and non-recyclable waste for co-processing. Moreover, the project will also support the city to develop a long-term waste management strategy, which includes an integrated solid waste model, a MRF for the city and an environmental remediation plan for Mong Duong landfill. Details are presented in the narrative of Outcome 1 below and the Annex 5 on agreement with Quang Ninh Cement and Construction JSC.

- Phu Quoc island: with a population of 180,000 residents and a rapidly growing tourism sector—5.4 million visitors in 2023, projected to reach 7 million by 2030, faces an urgent waste management challenge. With approximately 72.9 million beverage containers consumed annually, an effective recycling system is crucial to minimize pollution, extend material life cycles, and ease pressure on traditional or illegal disposal methods. As an island, Phu Quoc offers a controlled environment to pilot a Deposit Return Scheme (DRS), which, if successful, could be replicated across Viet Nam.

  Eunomia's feasibility study, supported by The Norwegian Embassy in Hanoi and Innovation Norway, provides initial assessment of the island's waste infrastructure, collection logistics, and possible impact of a DRS. This analysis is expected to help identify challenges and propose possible solutions for a more efficient recycling system for PET bottles and aluminium cans. The study will serve as a foundation to develop a component of the project seeking to design a DRS pilot that supports effective waste-to-resource transformations tailored to Phu Quoc's needs within this project.

  The project will also leverage previous collaborations with local authorities based on the partnership built between Norwegian Embassy and Innovation Norway with Phu Quoc City and Kien Giang province. Additionally, it will incorporate insights and outcomes from previous initiatives in Phu Quoc, including the USAID-funded Clean Cities, Blue Oceans (CCBO) project and WWF's Plastic Smart Cities and Mitigating Marine Plastic Debris projects. These initiatives have provided critical knowledge on waste management challenges and best practices, offering a solid foundation for local adaptation. By drawing from these experiences, the project will facilitate a smoother and more effective implementation of the DRS, ensuring it is both practical and sustainable within the Vietnamese context.

  Technical expertise from Tomra will play a crucial role in designing the recycling infrastructure. The implementation of reverse vending machines and combination of both automated and manual collection points will make the process efficient and user-friendly. The system will be developed to align with local regulatory frameworks while utilizing data-driven insights to optimize the placement of collection points and enhance overall operational efficiency. This approach will ensure a scalable and practical model suited for expansion beyond Phu Quoc.
  Private sector investment is another key pillar of the project. Companies such as Tomra and Duy Tan have expressed interest in providing financial and operational support, which will enhance the long-term viability of the initiative. The project will identify and encourage the involvement from beverage producers, distributors, retailers, and waste management firms to create a sustainable funding model. PPPs will be essential to expanding the initiative and integrating it into Viet Nam's broader waste management strategy.

  A well-structured DRS pilot on Phu Quoc Island has the potential to serve as a model for sustainable waste management in Viet Nam. By combining international expertise, local government support, and private sector investment, this project is expected to drive significant environmental and economic benefits. With careful planning and collaboration, Phu Quoc can lead the way in responsible recycling, setting a precedent for innovative waste management solutions in Viet Nam and beyond.

  There are three critical factors for success of the proposed solution in Phu Quoc, including: (i) local government commitment; (ii) private sector investment; and (iii) the integration and engagement of the informal sector. During project formulation, initial consultations have been conducted as follows:

  - Local government commitment: The previous CCBO project established initial engagement with Kien Giang PC and Phu Quoc PC on waste management, providing a valuable entry point for further collaboration. However, to ensure the project's success, securing support from the national government and deepening cooperation with local authorities will be essential for executing specific tasks. Strong commitment from local government is a key prerequisite for the successful implementation of the pilot.
  - Private sector investment: Preliminary engagement and design consultations have been undertaken to develop and refine the conceptualisation of interventions in Phu Quoc, exploring financing and operationalisation strategies with the private sector, including TOMRA and Duy Tan. Whilst there is initial

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interest to invest in the SWM solution in Phu Quoc, further modelling is required to develop a compelling business case to secure investment, which this Project seeks to support.

- Informal sector engagement: The CCBO Project has highlighted the strong presence of the informal waste sector in Phu Quoc City, creating favourable conditions for the Project to conduct a pilot. Integrating the informal sector into the pilot will provide valuable insights into how a DRS can be effectively implemented on a national scale.

As such, these factors will be reassessed during the inception phase of project implementation to determine if Phu Quoc is the optimal pilot location for demonstrating the system's effectiveness and scalability. In case the Project is unsuccessful in meeting these criteria, it is suggested to choose other relevant locations for the pilot, therefore flexibility and adaptability is required throughout.

Potential project locations under the AEPW funds include:

While project locations are yet to be formally confirmed, it is expected that Ha Noi and Ho Chi Minh City (HCMC) will be among the priority cities included in the initial phase, given their high population density, significant volumes of unmanaged plastic waste, and critical role in shaping national waste management policy and infrastructure.

In both Ha Noi and HCMC, municipal waste management systems face challenges related to overburdened landfills, limited sorting at source, and insufficient infrastructure to recover recyclable and low-value plastics. These urban areas generate a large proportion of the country's total plastic waste and therefore present strategic entry points for piloting integrated, investment-ready MRFs that can divert significant volumes from disposal to recycling or co-processing. These cities also offer access to well-established waste operators, such as URENCO and CITENCO, and an active informal waste sector that contributes to existing material recovery efforts. The project will build on this ecosystem to ensure a robust and inclusive solution that strengthens sorting, recovery, and end-market linkages.

Additional project locations will be identified based on waste generation volumes, availability of potential MRF sites, and the outcomes of waste characterization studies to be conducted under the project. These studies will provide a detailed understanding of plastic waste composition, quantities, and sources, enabling tailored MRF design and prioritization of investment locations.

To ensure long-term sustainability and national relevance, site selection will also take into account:

- Local government commitment to sorting-at-source and plastic waste management initiatives;
- Availability of existing or planned infrastructure that could be upgraded or integrated into the project;
- Opportunities to engage private sector actors (e.g., off-takers such as recyclers); and
- Potential to contribute to national EPR compliance and scaling models aligned with Viet Nam's circular economy roadmap.

Throughout project implementation, a flexible and adaptive approach will be applied to location selection. The inception phase will be used to validate the suitability of proposed cities and assess additional candidates based on data and stakeholder readiness. In case challenges arise in securing support or suitable conditions in initially proposed locations, alternative sites may be considered in consultation with national and provincial authorities and the Alliance to End Plastic Waste (AEPW). This flexibility will ensure that the project achieves its objective of diverting an additional 50,000 tons per year of plastic waste across the selected sites while maximising demonstration value and scalability.

Theory of Change

The rationale for the project is that: i) there are a lack of clear strategies, limited enforcement of nascent sorting policies, and limited private sector investment hindering the effective management of waste in Quang Ninh; ii) the absence of an effective DRS model in Viet Nam means valuable recyclables continue to be lost, and waste collection remains inefficient; iii) fragmented policy frameworks, insufficient targeted knowledge-sharing and a lack of systematic monitoring hinder evidence-based decision-making at the provincial and national levels.

The Theory of Change (ToC) is therefore premised on:

IF at-source sorting policies, infrastructure, awareness, enforcement, and monitoring capacities are strengthened in Quang Ninh and Cam Pha City, alongside targeted investments in sorting and recovery facilities, including a PPP for a sorting centre and a long-term strategy for a MRF, ***THEN*** waste will be effectively sorted at the source, enabling higher recovery rates of recyclable materials, reducing landfill dependency, and integrating informal waste workers more efficiently into provincial and municipal waste management systems. ***THUS***, an effective domestic solid waste management model will be established, enhancing Viet Nam's transition to a circular economy by improving waste

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recovery, strengthening governance and enforcement mechanisms, and fostering sustainable investment in waste treatment infrastructure.

Additionally, ***IF*** a DRS operational framework is designed, supported by a PPP in Phu Quoc Island, and complemented by a strong local authority framework that fosters stakeholder engagement, compliance, and enforcement, ***THEN*** the DRS trial can be effectively implemented with the necessary infrastructure, investment, and awareness-raising initiatives to ensure participation from government, businesses, and waste sector actors, generating valuable data on system performance. ***THUS***, the trial will support informing policy recommendations, investment strategies, and a scalable model for national replication, ultimately enhancing waste recovery, resource efficiency, and circular economy outcomes in Viet Nam.

Finally, **IF** national and provincial policies and regulatory frameworks are strengthened through the inclusive development, implementation, and enforcement of key policies such as EPR, while also ensuring continuous knowledge sharing and best practice dissemination, **THEN** informed decision-making will be enhanced at all levels, including policymakers, businesses, and communities, who will be better equipped to implement and scale waste management innovations. **THUS**, a supportive environment for the transition to a circular economy will be created driving sustainable DSW management practices in Viet Nam.

As such, the project has been structured into three key Outcomes which seek to achieve the above ToC:

Outcome 1: Effective domestic solid waste (DSW) management model, inclusive of a Material Recovery Facility, that enables and enhances the recovery of waste for co-processing at cement plants in 01 location/province.

Outcome 2: A scalable and contextualized Deposit Return Scheme (DRS) that supports effective waste-to-resource transformations.

Outcome 3: Strengthened provincial and national policy, knowledge management and monitoring and evaluation for a transition towards a circular economy and sustainable DSW management.

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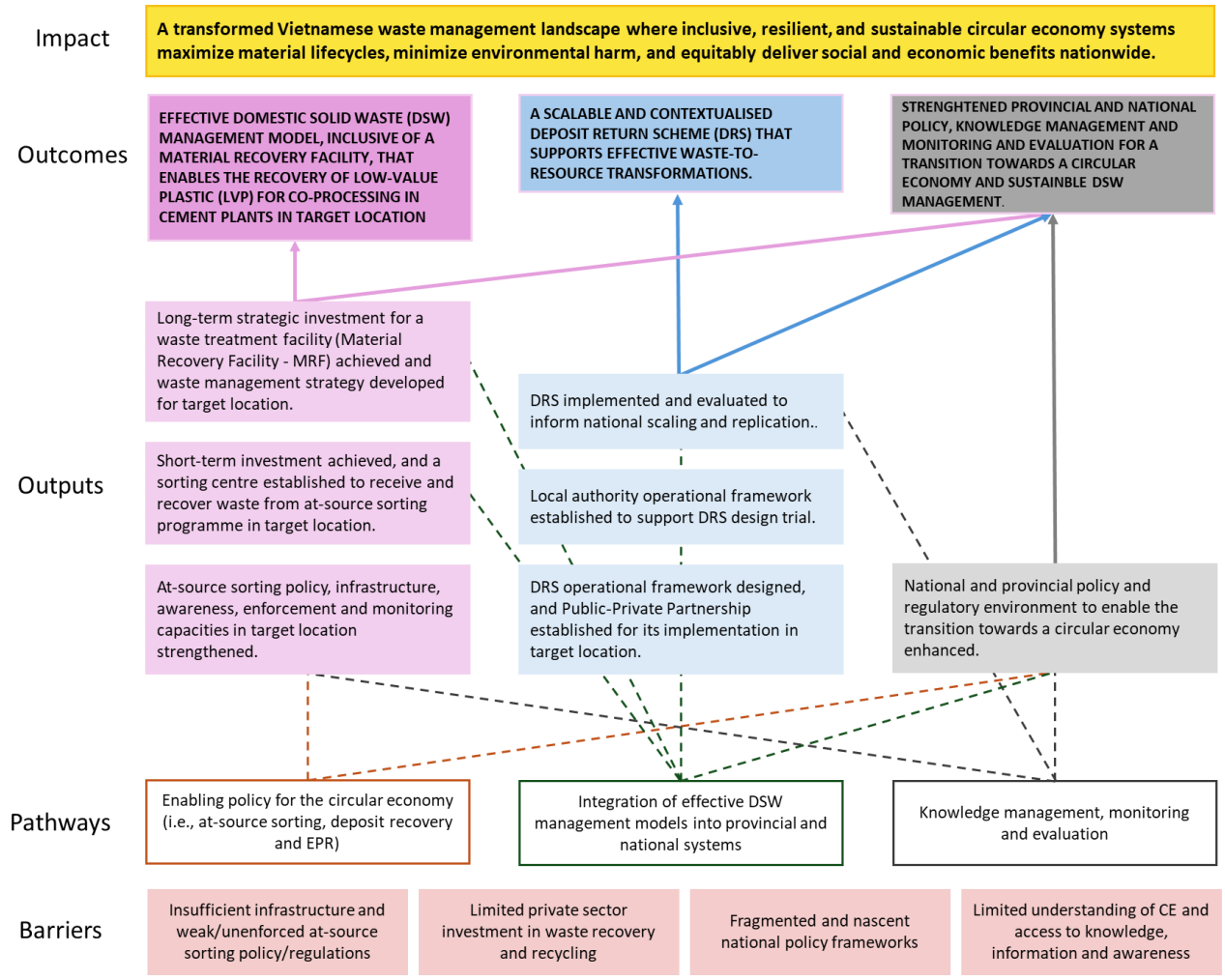


Figure 1: Theory of Change diagram.

Key Beneficiaries

The primary beneficiaries of the project are national and local-level government and regulatory authorities, including the newly established Ministry of Agriculture and Environment (MAE) and Departments of Agriculture and Environment (DOAE), as well as Provincial People's Committees (PPCs), in pilot locations such as Cam Pha, Quang Ninh province and Phu Quoc Island, Kien Giang province, which will benefit from enhanced institutional capacity and strengthened regulatory frameworks for DSW management. Through policy dialogues, training, and strategy development, authorities such as DOAEs and People's Committees will gain the tools and knowledge to enforce waste management policies more effectively, particularly in the areas of EPR and DRS. By enhancing and aligning with national circular economy goals, local governments will also improve environmental outcomes and public service delivery, reducing the burden of mismanaged waste on municipalities.

Several local authorities from additional provinces, for example Binh Thuan, Ba Ria-Vung Tau, and Nam Dinh, along with MAE, have expressed strong interest in learning from the plastic waste management model piloted at Quy Nhon Fishing Port. Such provinces will therefore benefit from targeted knowledge-sharing and capacity-building activities, including the sharing of national technical guidelines for returning plastic waste by fishing boats, study visits, and peer-to-peer (i.e., local authority to local authority) exchanges as a means to enable the replication of the successful model. This will also enable the extended reach and impact of the pilot programme beyond the initial sites under the Phase 2 project.

The private sector, including producers, waste management companies, recyclers, and cement manufacturers, will gain investment opportunities and policy incentives that make sustainable waste management more viable in the target locations. The project will facilitate PPPs to support the development of an MRF, integrate LVP waste into circular value chains, and pilot a scalable DRS model. Businesses will also benefit from technical guidance on compliance with EPR regulations, helping them transition towards sustainable production, consumption and waste recovery models that reduce costs and enhance brand reputation.

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The informal waste sector, including Informal Waste Workers (IWWs), independent collectors, small-scale aggregators and recyclers, will benefit from improved working conditions and greater economic security in the target locations. By integrating IWWs into MRF and DRS operations, the project will enable them to access safer working environments, receive training to improve efficiency, and gain fairer compensation for their role in waste recovery. This recognition will ensure they benefit from Viet Nam's evolving waste management system rather than being marginalized by new regulations.

Communities and households in pilot locations will experience better waste services, cleaner environments, and financial incentives for waste sorting and recycling. Public awareness campaigns and educational programs will equip residents with the knowledge and motivation to participate in at-source sorting initiatives. Additionally, by piloting DRS in targeted locations, the project will introduce financial incentives for returning beverage containers, making recycling more accessible and rewarding for consumers. Finally, coastal communities will also benefit from knowledge-sharing opportunities, for example from the Quy Nhon model to reduce marine pollution, fostering awareness of the economic opportunities (i.e., enabling fishers to collect and sell plastic waste and recyclables to local recyclers) that are created through the integration of sustainable waste management systems.

CSOs and NGOs will benefit from stronger engagement in policy advocacy and knowledge-sharing. The project will create opportunities for collaborative research, independent monitoring, and community-driven initiatives, allowing CSOs to influence policy and ensure that circular economy transitions are both inclusive and effective. Their involvement in awareness-raising and community engagement will also strengthen public participation in waste management reforms.

By working across policy, investment, infrastructure, and behavioral change, the project will create a more efficient, inclusive, and sustainable waste management system that benefits all stakeholders.

Gender and Cross-Cutting Objectives

The project is committed to promoting gender equality and social inclusion by ensuring that interventions are equitable, accessible, and beneficial to all groups, particularly women, IWWs, and vulnerable groups.

Women play a significant role in Viet Nam's waste sector, particularly in waste collection, sorting, and recycling, yet they often face low wages, poor working conditions, and limited decision-making power. To address these challenges, the project will enhance women's participation in decision-making within local waste management committees, MRF operations, and DRS governance structures. Additionally, targeted capacity-building and training will be provided to women in the informal waste sector, helping to improve their economic opportunities and ensure safer working conditions. The project will also promote gender-responsive policies within EPR and circular economy frameworks to ensure that regulations acknowledge and support the role of women in waste management. Furthermore, the initiative will encourage female entrepreneurship in waste recovery and recycling by offering support for women-led businesses in the circular economy sector.

Beyond gender considerations, the project prioritizes social inclusion and livelihoods protection, particularly for informal waste workers, low-income communities, and ethnic minorities. Efforts will be made to formalize and integrate IWWs into structured waste collection and recovery systems, improving job security and working conditions. The project will also ensure equitable access to livelihood opportunities by providing training and employment in newly established MRFs and DRS operations. Inclusive consultation processes will be implemented to amplify the voices of marginalized groups and ensure that their needs and concerns are reflected in policy development and implementation.

In alignment with Viet Nam's climate resilience and circular economy goals, the project will contribute to climate change mitigation and environmental sustainability by reducing plastic waste in landfills and promoting closed-loop recycling systems. Improved waste recovery will help minimize environmental pollution while supporting resource efficiency in plastic production and reuse. Additionally, the project will adhere to human rights and labor standards, ensuring that interventions uphold fair wages, safe working conditions, and social protections for all waste sector workers.

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III. RESULTS AND PARTNERSHIPS

Expected Results

OUTCOME 1: EFFECTIVE DOMESTIC SOLID WASTE (DSW) MANAGEMENT MODEL, INCLUSIVE OF A MATERIAL RECOVERY FACILITY, THAT ENABLES THE RECOVERY OF LOW-VALUE PLASTIC FOR CO-PROCESSING AT CEMENT PLANTS IN 01 PROVINCE/LOCATION.

Outcome 1 seeks to enhance the DSW management model in 01 province / location in Viet Nam. Quang Ninh / Cam Pha has been identified as the potential participating province and municipality; therefore, Outputs and Activities refer to this location in the following section.

Output 1.1: At-source sorting policy, infrastructure, awareness, enforcement, and monitoring capacities in Quang Ninh and Cam Pha City strengthened.

Effective at-source waste sorting is a critical component of an integrated waste management system, ensuring that recoverable and recyclable materials are diverted from landfills and recovered for reuse. This output focuses on strengthening policy frameworks, improving sorting infrastructure, raising public awareness, and building enforcement and monitoring capacities in Quang Ninh and Cam Pha to facilitate widespread and sustained compliance with at-source sorting practices.

To achieve this, a baseline assessment of waste generation will be conducted, including a Waste Analysis and Characterization Study (WACS), to provide data-driven insights into the composition, volume, and sources of waste generated in the province. These findings will inform the development of targeted interventions for effective waste management. Building on this, a needs assessment for sorting at-source will be carried out, identifying gaps and challenges in current practices. Based on the assessment and WACS, technical guidelines will be developed at the provincial and/or municipal level to standardize sorting requirements and best practices. These guidelines will provide clear directives for waste owners and stakeholders, including households, businesses, waste collectors, and local authorities, to ensure consistency in waste separation processes.

To enhance public participation and compliance, the project will develop and implement gender-sensitive training programs, information campaigns, and awareness-raising strategies aligned with the technical guidelines. These initiatives will target key waste owners, households, businesses, waste management workers, and local authorities, to improve knowledge, shift behaviours, and encourage consistent at-source sorting practices. Training programs on waste sorting at source for households and waste owners will be conducted regularly and continuously throughout the pilot implementation process, aiming to drive a change from awareness to behaviour change in waste sorting at source. Moreover, communication materials, including but not limited to posters, leaflets, videos and news articles, will be designed and disseminated as guiding documents on waste sorting at source. Complementing these efforts, the project will support the provision of necessary infrastructure to facilitate waste separation, such as installing or upgrading multi-compartment bins, improving waste transfer stations, providing waste bags for households, and ensuring efficient collection and transport mechanisms. Addressing infrastructure gaps is crucial to overcoming logistical barriers and enabling proper sorting at source.

Finally, to ensure the long-term sustainability of these interventions, the project will build the enforcement and monitoring and evaluation (M&E) capacities of local authorities. Training programs will equip government officials and waste management agencies with the skills to monitor compliance, enforce regulations, and assess the effectiveness of sorting-at-source policies. This will institutionalize sorting requirements and establish accountability mechanisms to drive long-term improvements.

Activities include:

1.1.1: Conduct a baseline assessment of waste generation, including a waste analysis and characterization study (WACS).

1.1.2: Conduct sorting-at source needs assessment and develop provincial and/or municipal technical guidelines to strengthen at-source sorting.

1.1.3: Develop and implement gender sensitive local stakeholder trainings, information, awareness-raising and communication strategies in line with technical guidelines for increased compliance with at-source sorting.

1.1.4: Provide the required infrastructure to enhance provincial and municipal at-source sorting capacities.

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1.1.5: Build provincial and municipal enforcement and M&E capacities of local authorities to ensure adherence with at-source sorting policies and guidelines.

Output 1.2: Short-term investment achieved, and a sorting centre established to receive and recover waste from at-source sorting programme in Quang Ninh and Cam Pha City.

Establishing a sorting centre is a crucial step in strengthening waste recovery efforts in Quang Ninh and Cam Pha. By creating dedicated infrastructure for receiving and processing materials collected through the at-source sorting programme, this output will ensure that LVP and other recoverable and recyclable materials are effectively diverted from landfills and reintegrated into sustainable end-markets, such as cement co-processing or circular economy pathways. Given that Cam Pha City is set to become the waste treatment hub for the eastern region of Quang Ninh province, including Cam Pha City, Tien Yen District, and Van Don District, the daily DSW volume is expected to double in the near future, reaching approximately 400 tons. Therefore, the project will focus on securing short-term investment, establishing a sustainable operational framework, and providing technical and infrastructural support for the development of a sorting centre, which plays the role as a recycling facility to receive recyclables collected from the city's waste sorting at source implemented in the Output 1.1

A public -private partnership model between local authorities and Quang Ninh Construction and Cement Joint Stock Company (QNC), a cement co-processing company operating in Quang Ninh, will thus be developed, defining clear operational roles and responsibilities for the sorting centre, will be established. This partnership will be instrumental in securing investment and managing operations efficiently, leveraging the private sector's technical expertise, contribution to infrastructural investment and market-driven incentives to optimize the sorting and recovery processes. Refer to Annex 5 for details regarding the preliminary discussions that have taken place between UNDP, the Embassy of Norway, local authorities and QNC.

To guide the development of the facility, the project will provide technical support for designing the necessary sorting and recycling/recovery infrastructure. This will include defining material separation processes, sorting lines, and recovery systems tailored to the waste composition in Quang Ninh and Cam Pha, ensuring that the sorting centre is equipped with appropriate technology and that operational workflows enhance its efficiency and ability to process diverse waste streams, particularly LVP. During the investment phase, the project will also facilitate infrastructural and operational support for the construction and initial operations of the sorting centre. This includes assisting with site selection and land planning, optimizing facility design and construction layout, integrating sorting technologies, building the workshop, and establishing operational procedures. Close collaboration with local authorities and private sector actors, including QNC, will be maintained to ensure that the sorting centre is effectively integrated into the broader waste management system.

Activities include:

1.2.1: Establish a Public-Private Partnership between the local authority and private sector with clear operational roles and responsibilities of participating stakeholders to operate the sorting centre.

1.2.2: Provide technical support to design sorting and recycling/ recovery infrastructure required for the sorting facility.

1.2.3: Facilitate infrastructural and operational support during the primary investment-phase of the sorting centre (facility construction and operation).

Output 1.3: Long-term strategic investment for a waste treatment facility (Material Recovery Facility - MRF) achieved and waste management strategy developed for Quang Ninh and Cam Pha City.

To ensure the long-term sustainability of waste recovery efforts, this output focuses on strengthening the province's waste management strategy and securing strategic investment for a Material Recovery Facility (MRF) in Quang Ninh and Cam Pha. The MRF will expand upon the capacities of the sorting centre, enhancing waste processing, material recovery, and integration into recycling and co-processing value chains. Interventions under this output will be streamlined with ongoing and upcoming support from SINTEF to scale up co-processing in the cement industry, and collaboration amongst the key stakeholders, including the Ministry of Construction, MAE, Vietnam Cement Association and local authorities, will be critical to maximise impact by ensuring policy alignment, technical standardization, and investment mobilization for sustainable waste valorisation. This collaborative approach will facilitate the efficient integration of Refuse-Derived Fuel (RDF) production into cement co-processing, reduce reliance on landfilling and fossil fuels, and contribute to Viet Nam's circular economy and climate goals.

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As reported, Mong Duong landfill, the city's waste treatment area, has already reached full capacity, therefore Cam Pha City is planning to expand this area[26]. Therefore, the project will support the city to develop a remediation plan for Mong Duong landfill, including integration of a waste treatment facility. This intervention will involve strengthening policy and regulatory frameworks, mobilizing private sector investment, optimizing facility design and operations, and building stakeholder capacity.

A foundational activity under this output will be the review, assessment, and strengthening of local waste management policies and regulations, including the development of a provincial/city roadmap or waste management strategy, and relevant implementation guidelines. These will provide a structured approach to integrating the MRF into the local waste management system while addressing the remediation needs of Mong Duong landfill. This policy framework will serve as the basis for effective governance, enforcement, and operationalization of waste recovery efforts.

To attract private sector investment, the project will support the development of a Request for Proposal (RFP) from local authorities for a comprehensive waste treatment package. This RFP will define technical and operational requirements, investment expectations, and sustainability criteria to guide private sector engagement in the MRF's development and management. Additionally, the project will support the development of an investment-ready design and business model for the MRF, ensuring financial viability and seamless integration with the existing sorting facility. This will include infrastructure planning, cost analyses, revenue generation mechanisms, and operational workflows tailored to the waste composition in Quang Ninh and Cam Pha. Supporting the infrastructure and operation of the MRF will enable the facility to efficiently process LVP and other recoverable materials, maximizing resource recovery and minimizing waste disposal.

Recognizing the importance of an inclusive waste management system, the project will also identify alternative waste streams and integrate the informal waste sector into MRF operations. By aligning MRF operationalization with the national EPR mechanism, the facility will leverage producer contributions for waste recovery and recycling, ensuring financial sustainability while improving the livelihoods of informal waste workers.

Finally, the project will conduct training and capacity-building activities for key local stakeholders, including government agencies, private sector actors, and informal waste workers. These efforts will strengthen institutional knowledge, enhance technical expertise, and promote collaborative approaches to waste management.

Activities include:

1.3.1: Review, assess and strengthen local waste management policy and regulations, i.e., provincial/city roadmap, waste management strategy and implementation guidelines, including integration of a waste treatment facility and remediation plan for Mong Duong landfill, for improved waste management

1.3.2: Support the development of a local authority Request for Proposal for comprehensive waste treatment package from private sector.

1.3.3: Develop an investment-ready design and business model and support infrastructure and operation of an MRF to expand the capacities of the sorting facility.

1.3.4: Identify alternative waste streams and effectively integrate the informal sector into MRF operations and align operationalisation of the MRF with the national EPR mechanism.

1.3.5: Conduct training and capacity-building for key local stakeholders (i.e., local authorities, private sector, informal waste workers).

OUTCOME 2: A SCALABLE AND CONTEXTUALISED DEPOSIT RETURN SYSTEM (DRS) THAT SUPPORTS EFFECTIVE WASTE-TO-RESOURCE TRANSFORMATIONS.

Outcome 2 builds on the substantial foundational work commissioned to Eunomia by The Norwegian Embassy in Hanoi and Innovation Norway, endorsed by the Ministry of Natural Resources and Environment (MONRE), to assess the possible design for, and the costs and impacts of, a DRS for single-use beverage containers for Viet Nam. With significant investment already provided to determine the feasibility of integrating a DRS into the waste management system in Phu Quoc Island, output descriptions below refer to this location as the pilot location. However, a key assumption is that there is a continued commitment from the local authorities and private sector, as well as from the national government, to adopt a DRS.

<u>Output 2.1: DRS operational framework designed, and Public-Private-Partnership established for its implementation in Phu Quoc island.</u>

[26] Report No.707/BC-UBND dated December 13, 2024, of Cam Pha PC.

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Output 2.1 seeks to advance a circular economy approach in Phu Quoc, therefore, this output focuses on designing an operational framework for a DRS and establishing a PPP for its implementation. The DRS aims to incentivize waste collection and recycling by incentivising the return of beverage containers, reducing litter, improving material recovery, and promoting producer responsibility. A well-structured DRS trial will provide valuable insights for scaling nationwide solutions aligned with Viet Nam's EPR framework.

The first step under this output is to conduct an inclusive scoping analysis to ensure that the DRS trial is well-adapted to Phu Quoc's unique socio-economic and waste management context. This analysis will be co-led by UNDP and the potential DRS system operator, engaging key stakeholders, including government agencies, producers, retailers, waste collectors, recyclers, and community representatives, to assess logistical, financial, and behavioural factors influencing the system's success. The scoping analysis will map the existing waste collection infrastructure, evaluate consumer participation incentives, and identify potential challenges to inform the design of an effective DRS trial, whilst ensuring the local authority acceptance and ownership of the programme.

The project will then establish a PPP to confirm investment and formalize roles and responsibilities for the implementation of the DRS trial. A Memorandum of Understanding (MOU) or equivalent agreement will be signed with the local authority and the DRS system operator, providing a formalized framework for collaboration, governance, and operational execution, whilst importantly securing the necessary financial investment commitment from the private sector stakeholder to operationalise and sustain the DRS. This will be supported by commitments from beverage producers, retailers, and waste management entities, ensuring their active participation in the DRS.

Finally, building on the above, the project will support the design of a scalable operational model for the DRS trial with Pro Bono support from key actors from the private sector. This model will define collection points, refund mechanisms, sorting and transport logistics, and financial flows to ensure efficiency and sustainability. A structured presentation of the DRS trial will be prepared for local authorities, demonstrating its environmental and economic benefits, feasibility, and alignment with national waste management priorities. The model will also incorporate digital tracking and data collection mechanisms where feasible to monitor the trial's effectiveness. A preliminary model indicating the potential DRS trial has been developed by TOMRA and is attached in Annex 6.

Activities include:

2.1.1: Conduct an inclusive scoping analysis to prepare the DRS design trial, engaging key stakeholders across the value chain to align the system to local context and needs.

2.1.2: Establish a Public-Private Partnership(s) to confirm investment, roles and responsibilities in the DRS design trial.

2.1.3: Design the scalable operational model of the DRS trial with Pro Bono support from private sector and present to local authorities.

<u>Output 2.2: Local authority operational framework established to support DRS design trial.</u>

To ensure the successful implementation and long-term viability of the DRS design trial in Phu Quoc, this output focuses on strengthening the local authority's operational framework by fostering stakeholder engagement, promoting public awareness, and enhancing compliance and enforcement mechanisms. By building local institutional capacity, Output 2.2 will enable effective governance and coordination of the DRS trial, ensuring alignment with national waste management policies and EPR frameworks.

A key component of this output is to support the design and engagement of relevant local stakeholders, including government authorities, private sector actors, and CSOs, to foster adoption and compliance in the DRS trial. Through consultations and coordination mechanisms, local authorities will be equipped with the necessary tools to oversee the system, facilitate collaboration between actors, and address regulatory or operational challenges that arise.

To enhance community participation, the project will implement gender-sensitive behaviour-change and awareness-raising campaigns to educate businesses and the public on the importance of the DRS model. These campaigns will focus on consumer incentives, waste sorting practices, and the environmental and economic benefits of deposit return schemes, ensuring widespread understanding and support. Special attention will be given to ensuring that messaging is accessible, inclusive, and tailored to different demographic groups.

Additionally, the project will identify, engage, and build the capacity of local private sector actors, including manufacturers, importers, retailers, and waste collectors, both formal and informal, to ensure active participation in the pilot DRS. Capacity-building efforts will include technical training on system operations, financial contributions, and logistics support to ensure that stakeholders can effectively fulfil their roles in the system.

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Lastly, the project will support enforcement, monitoring, and evaluation to ensure adherence to the DRS guidelines and continuously improve the system. This will involve setting up mechanisms for data collection, compliance checks, and performance assessment, allowing for evidence-based adjustments to enhance system efficiency and scalability.

Activities include:

2.2.1: Support the design of the local operational model though engagement of relevant local stakeholders (government, private sector, CSOs) to foster adoption and compliance in the DRS design trial.
2.2.2: Implement gender-sensitive behaviour-change and awareness-raising campaigns to educate communities and businesses on DRS.
2.2.3: Identify, engage and build the capacity of local private sector actors (manufacturers, importers, distributors, retailers), formal and informal waste stakeholders to participate in the pilot DRS.
2.2.4: Build enforcement, monitoring and evaluation capacities of local authorities.

Output 2.3: DRS piloted and evaluated to inform national scaling and replication.

This output focuses on the implementation, evaluation, and refinement of the DRS design trial in Phu Quoc, with the goal of generating key insights for potential local and national scaling and replication. Through a structured trial period, the project will test the operational feasibility, financial sustainability, socio-economic and environmental impact of the DRS, while ensuring that the lessons learned contribute to an effective national model.

A critical first step is to contribute to DRS infrastructure, including materials and equipment for labelling, collection, and sorting, as well as aggregation points and return centres, in collaboration with local authorities and the system operator. Establishing a robust collection network and logistical framework is essential to ensure efficient operations and high return rates of targeted waste materials.

Following the infrastructure setup, the project will implement the DRS design trial over a 12- to 24-month period, testing various operational aspects such as deposit values, return incentives, material flows, and consumer engagement strategies. This phase will allow for real-world testing and iterative adjustments to optimize system efficiency, stakeholder participation, and overall effectiveness.

Upon completion of the trial, the project will analyse the DRS results to assess its economic, social, and environmental performance. This will include an evaluation of return rates, financial feasibility, stakeholder participation, and policy alignment. Based on these findings, the project will develop a scale-up or replication strategy, offering policy recommendations and outlining investment needs to guide national-level adoption.

Activities include:

2.3.1: Contribute to DRS infrastructure in collaboration with local authorities and private sector.
2.3.2: Implement DRS design trial for 12-24 months.
2.3.3: Analyse DRS results and support the development of a scale-up or replication strategy, including policy recommendations and investment needs.

OUTCOME 3: STRENGHTENED PROVINCIAL AND NATIONAL POLICY, KNOWLEDGE MANAGEMENT AND MONITORING AND EVALUATION FOR A TRANSITION TOWARDS A CIRCULAR ECONOMY AND SUSTAINBLE DSW MANAGEMENT.

Output 3.1: National and provincial policy and regulatory environment to enable the transition towards a circular economy enhanced.

Leveraging key lessons learned from Outcome 1 and Outcome 2, Output 3.1 focuses on strengthening national and provincial policies, regulations, and governance mechanisms to support Viet Nam's transition towards a circular economy and sustainable DSW management. By aligning with both national priorities and international commitments, the Output will contribute to policy enforcement, knowledge-sharing, and effective monitoring and evaluation.

A key priority is to contribute to the development, implementation, and enforcement of national and global policies, such as EPR, DRS, and international environmental treaties (i.e., Global Plastics Treat - INC 5.2). This will support the creation of a more enabling regulatory environment for sustainable waste management and resource recovery.

To facilitate knowledge-sharing and informed decision-making, the project will document and disseminate best practices and lessons learned from its implementation, providing valuable insights to policymakers, industry stakeholders, and local authorities on effective circular economy models, supporting wider adoption and replication. The project will also build on the successes of the "*Waste management to accelerate circular economy project in Binh Dinh province (Phase 2 project)*", documenting and sharing lessons learned from the Quy Nhon waste management model, including the Material Recovery Facility and the program "*Fishing boats bringing plastic waste back to the*

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shore", to facilitate replication in other cities, fishing ports, and provinces. Binh Thuan, Ba Ria-Vung Tau, and Nam Dinh provinces, along with MAE, have expressed strong interest in learning from the plastic waste management model piloted at Quy Nhon By highlighting best practices and challenges, as well as the strong engagement of the local authority and private sector to create mandatory regulations and incentives, the project will share similar approaches and lessons learned to interested localities to improve their respective waste management and circular economy systems.

This activity will include knowledge-sharing events, where stakeholders, including policymakers, municipal authorities, private sector actors, and development partners, will discuss the operational aspects, impacts, and scalability of the Material Recovery Facility and the waste sorting-at-source program in Quy Nhon. This event will serve as a platform to exchange insights, foster inter-provincial collaboration, and encourage investments in similar waste management models. Additionally, the project will organize a consultation workshop with MAE to support the development of technical guidelines for fishing boats to bring plastic waste back to shore, providing clear guidance and procedures for management boards of fishing ports and fishing boats to register, claim and collect plastic waste and other recyclables back to shore.

Finally, the project will ensure robust monitoring and evaluation (M&E) mechanisms by conducting regular assessments, including a terminal evaluation of project interventions. These evaluations will track progress, measure impact, and refine strategies to ensure long-term policy and regulatory effectiveness.

Activities include:

3.1.1: Contribute to the development, implementation and enforcement of key national and global policy (i.e., Extended Producer Responsibility, Global Treaties, DRS).
3.1.2: Document and disseminate best practices and lessons learned to support knowledge sharing and informed decision-making at the national and provincial levels.
3.1.3: Conduct knowledge-sharing from the Quy Nhon waste management model to improve waste management and accelerate circular economy initiatives in other localities.
3.1.4: Conduct regular Monitoring and Evaluation, including terminal evaluation, of project interventions.

OUTCOME 4: INVESTMENT-READY SOLUTIONS FOR PLASTIC WASTE RECOVERY IDENTIFIED THROUGH A SYSTEMS-BASED APPROACH TO ESTABLISH MATERIAL RECOVERY FACILITIES (MRFs) IN PRIORITY URBAN LOCATIONS

Output 4.1: Technical feasibility of integrated Material Recovery Facilities (MRFs) assessed to support circular plastic economy planning in selected urban locations.

This output focuses on conducting a comprehensive technical feasibility study (FS) to assess the viability of establishing integrated MRFs in selected cities to recover an additional 50,000 tons per year (TPY) of plastic waste. The FS will adopt a systems-based approach, analysing the full waste value chain and identifying the infrastructural, organizational, and operational requirements to enable scalable plastic waste recovery.

The study will assess key parameters including waste input characterization and volumes, sourcing areas, output flow management (e.g., recyclables, RDF), and identification of viable off-takers such as recyclers. Infrastructure conditions and site suitability will be evaluated, including land availability, legal and planning frameworks, access to utilities and transport logistics. The study will also explore integration opportunities with existing formal and informal waste systems, and alignment with ongoing sorting-at-source initiatives.

This feasibility phase will serve as the evidence base to inform investment decision-making, government engagement, and private sector involvement. It will ensure that subsequent engineering designs and operational planning are grounded in local realities and aligned with Viet Nam's national goals for circular economy and plastic waste management, including through mechanisms such as Extended Producer Responsibility (EPR).

Activities include:

4.1.1: Conduct a scoping analysis across project locations, engaging with local authorities and waste operators to confirm city participation, validate potential MRF sites, and secure letters of support for the feasibility study and future investment planning.
4.1.2: Conduct detailed assessments of plastic waste generation, composition, sourcing areas, and material flows, including inputs from municipal and informal sectors, infrastructure conditions, legal frameworks, and integration potential with sorting-at-source systems.
4.1.3: Develop a technical Feasibility Study, including feasibility analysis and recommendations to inform pre-engineering and investment-readiness.

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Output 4.2: Investment-ready programme for the establishment of MRFs developed, including pre-engineering design and implementation planning.

Building on the feasibility study findings under Output 4.1, this output focuses on developing detailed pre-engineering designs and implementation plans for the establishment of MRFs in the selected cities. The objective is to deliver investment-ready packages that address infrastructure layouts, equipment specifications, operational frameworks, and financial modelling required for implementation.

The output will also include technical validation of MRF design parameters (e.g., throughput, mass balance, and material yield), and alignment of proposed solutions with applicable regulatory requirements, city-level waste management strategies, and national circular economy priorities. The process will engage technology suppliers, local MRF operators, and key stakeholders to ensure operational feasibility and long-term sustainability.

In addition to infrastructure and equipment planning, business models and financial projections will be developed to assess CAPEX, OPEX, revenue streams, and the role of financing mechanisms such as EPR contributions and local co-financing. This will form the foundation for securing investment and municipal commitment to integrate MRFs into local waste systems.

Activities include:

4.2.1: Develop site-specific technical designs for MRFs, including facility layout, equipment selection, throughput modelling, and mass balance aligned with feedstock and recovery targets.
4.2.2: Prepare MRF business plans including CAPEX/OPEX estimates, off-take feasibility, EPR integration, and financial projections to support investment decision-making and co-financing strategies.
4.2.3: Integrate all technical, financial, and institutional components into a final investment-ready implementation package for each city, aligned with national regulations and stakeholder inputs.

Additional detail on Component 4 can be found in Annex 7.

Resources Required to Achieve the Expected Results

The resources required to achieve the expected results are outlined in section *VII. Multi-Year Work Plan (MYWP)*.

Activities will be implemented over 36 months from 05/25 to 04/28. To ensure effective implementation, the project will establish a Project Management Unit (PMU) comprising representatives from local government agencies, technical experts, and UNDP personnel. Key stakeholders include the newly established MAE and DOAE, as well as PPCs in project locations, private sector actors, and waste management service providers.

At the UNDP level, the project team responsible for direct management and technical oversight will include the following, with positions being cost-shared with other projects within UNDP's Waste and Circular Economy Portfolio under the Climate Change and Environment Unit to ensure efficient use of resources.:

- 01 Program Manager (responsible for overall project coordination and reporting);
- 01 Circular Economy and Waste Officer (technical guidance on waste recovery and recycling strategies);
- 01 Program Associate (logistics, procurement, and administrative support).

The successful implementation of this project relies on a well-coordinated combination of personnel, technical expertise, infrastructure investments, stakeholder partnerships, and financial resources. By mobilizing these inputs effectively, the project will enhance LVP and high-value waste recovery and recycling, reduce landfill dependency, and contribute to provincial and national transitions towards a circular economy.

Partnerships

The project will adopt a multi-stakeholder approach, leveraging the expertise, resources, and mandates of various partners to drive systemic change in waste management systems in Viet Nam. Partnerships will be structured around the project's Theory of Change, ensuring that all stakeholders contribute to creating an enabling environment for sustainable waste management solutions. By aligning efforts with ongoing initiatives and complementary projects, the project will maximize impact, avoid duplication, and ensure long-term sustainability.

The project will leverage existing platforms led by UNDP and MAE, namely Viet Nam National Plastic Action Partnership (NPAP) and the Viet Nam Circular Economy Hub (CE Hub), coordinating closely with these national mechanisms for knowledge-sharing and capacity building by disseminating insights on scaling circular economy models for targeted LVP and HVP waste management. This will enable the bringing together of key national and local-level stakeholders working

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on waste and plastic pollution as well as international development partners, to showcase the mechanisms and models being piloted via the project.

Additionally, the project will leverage synergies with the UNDP's Climate Change and Circular Economy Portfolio, ensuring complementarity with existing programs on waste reduction, marine plastic pollution, and sustainable consumption and production.

Government Partners: The project will work closely with MAE and other key government ministries, and provincial governments (e.g., Quang Ninh People's Committees and Cam Pha City, Phu Quoc authorities, as well as local DOAEs etc.) to strengthen policies and implementation frameworks for at-source sorting, MRF development, DRS design and implementation, and enabling policy development. These government agencies are critical in ensuring regulatory alignment and enforcement, and their leadership will be essential in integrating project learnings into national and provincial waste management policies. Existing partnerships with local authorities under the Phase 2 project will also be leveraged to enable cross-provincial knowledge sharing and capacity building support, specifically for the demonstration of the plastic waste management model piloted at Quy Nhon Fishing Port.

A key assumption is that local governments have the political will and institutional capacity to implement new waste management models, as well as the interest to share their knowledge and expertise from their existing pilot projects. To support this, the project will provide technical assistance, capacity-building, and policy advisory services to provincial and national authorities, ensuring that best practices from the project inform future regulatory developments and investments.

Private Sector: Engaging the private sector is fundamental to ensuring the sustainability and scalability of waste recovery solutions proposed in the project. To enable improved sorting and material recovery in Quang Ninh and Cam Pha City, a strong partnership between the public and private sector, in particular cement co-processing enterprises, will be critical to mobilise the required operational and infrastructural investment for the integration of efficient, effective and sustainable waste management sorting and recovery systems. To ensure the adoption of a DRS in Phu Quoc, identifying, engaging and securing financial investment from a possible system operator is the fundamental factor that will determine the feasibility of the system. This is supported by the engagement and commitment from local private enterprises from across the value chain (producers, distributors, retailers, aggregators etc.), therefore significant focus will be placed on building the enabling collaborative environment to leverage technological and infrastructural expertise and financial investment capacities to design and implement an effective DRS model.

A key assumption is that the private sector sees financial viability in investing in waste management solutions. To mitigate risks and attract investment, the project will support PPPs by providing investment-ready business models, conducting feasibility studies, and linking businesses with potential financial incentives and concessional financing.

Civil Society: Behaviour change is a critical pillar of the project's success, particularly in achieving sustained participation in sorting-at-source initiatives and compliance with the DRS design-trial. The project will work with mass organisations, including women's groups, youth groups, IWW groups, local NGOs and the wider civil society and communities in target locations to implement awareness campaigns, engage communities in key programs, and promote social inclusion, especially for IWWs, to ensure optimal civil-society engagement during and beyond the project life-cycle.

An assumption here is that community buy-in and active participation are essential for sorting-at-source and recycling efforts to succeed. The project will address this by investing in awareness campaigns, digital engagement strategies, and community-based pilot initiatives that demonstrate the benefits of improved waste management practices.

Development Partners: The project will align with and build on ongoing waste management and circular economy initiatives in Viet Nam. The strong collaboration of UNDP and The Norwegian Embassy in Hanoi through the prior Phase 1 and Phase 2 projects will be leveraged to foster continued collaboration with Innovation Norway, a key stakeholder supporting the promotion, connection and collaboration of Norwegian waste management and circular economy companies with business opportunities in Viet Nam. This will be critical to enable opportunities for cross-country knowledge, policy and technology transfer to accelerate the adoption of sustainable and efficient waste management models. Additionally, the project will ensure collaboration and synergies with the upcoming Norway-supported project, "Scaling Up Co-Processing in the Cement Industry in Viet Nam," implemented by SINTEF. This initiative will play a crucial role in advancing co-processing as a viable alternative to waste-to-energy (WtE), contributing to a more comprehensive life-cycle approach in Viet Nam's waste treatment system. By aligning efforts, both projects will strengthen the regulatory and technical foundation for scaling up co-processing, enhance waste valorisation, and contribute to national climate and circular economy goals.

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At the regional level, the project will engage with ASEAN initiatives via the Chemicals and Waste Management Team based at the UNDP Regional Bureau for Asia and the Pacific (RBAP) in order to share lessons learned and influence policy discussions on a broader scale.

A key assumption is that ongoing donor-led initiatives will provide complementary support and financing opportunities to sustain project results beyond its implementation period. The project will actively participate in coordination mechanisms to ensure alignment, knowledge exchange, and potential co-financing opportunities.

Risks and Assumptions

The achievement of project results depends on several key assumptions, including strong government commitment, active private sector participation, and sustained community engagement. However, potential risks could hinder progress. The table below outlines identified risks, their impact, and mitigation strategies, and a full risk analysis (including details on likelihood, impact, risk rating and mitigation owner) can be found in Annex 3.

RISK	ASSUMPTION	MITIGATION
Policy and Regulatory		
Inconsistent enforcement of waste management policies, including sorting-at-source regulations, and low-value plastic (LVP) waste management frameworks.	The government remains committed to implementing and enforcing waste management regulations.	i) engage key national and provincial authorities (MAE, DOAEs, local People's Committees) early and continuously to align project activities with their priorities; ii) provide technical assistance and policy guidance to help authorities develop clear regulations, guidelines, and enforcement mechanisms; and iii) facilitate multi-stakeholder dialogues to align industry actors, waste collectors, and recyclers with government policies.
Institutional Capacity		
Institutional changes due to ongoing restructuring of Government Ministries and Agencies at the national and local level.	The national and local level Government restructuring will increase efficiencies at the institutional level and facilitate project implementation.	i) proactively engage and build the capacity of new decision-makers; ii) strengthen alignment with national policies, such as the EPR framework and Circular Economy Roadmap, to ensure project activities remain relevant regardless of administrative changes; and iii) develop structured knowledge management tools, including policy briefs, training sessions, and multi-stakeholder workshops to help retain technical expertise and ensure a smooth transition for new government counterparts.
Limited capacity of local authorities to implement and monitor waste management interventions effectively.	Local governments are willing to build capacity and integrate project recommendations into existing waste management plans.	i) conduct targeted training programs and technical workshops for government agencies, municipal waste management units, and enforcement bodies; ii) develop user-friendly implementation guidelines and standard operating procedures (SOPs) to support authorities in enforcing policies; and iii) establish a M&E system with clear indicators to track progress and address capacity gaps.
Financial and Investment		
Insufficient private sector investment in waste recovery and recycling due to perceived financial risks and low profitability.	A sustainable business model can be developed for investment in the proposed MRF and DRS.	i) develop an investment-ready business model for the MRF and DRS, demonstrating financial feasibility and potential returns for investors; ii) establish PPPs to de-risk investments through cost-sharing mechanisms and regulatory incentives; and iii) engage private sector stakeholders, financial institutions, development banks, and/or impact investors to provide funding opportunities for waste recovery infrastructure.
Social and Behavioural		
Low public awareness and resistance to sorting waste at-source, limiting participation in recycling initiatives.	Behaviour change campaigns can successfully increase participation in waste sorting and recycling programs.	i) implement awareness-raising and communication activities in collaboration with local governments and civil society stakeholders; ii) develop the necessary schemes for households and businesses that comply with waste sorting and deposit return interventions; and iii) conduct pilot programs in selected areas to demonstrate the benefits of sorting at-source and DRS before scaling up.
Environmental and Social		
Potential adverse environmental impacts from the construction and operation of waste management facilities, including improper waste handling and emissions.	Environmental impact assessments (EIAs) and safeguards will be implemented effectively.	i) conduct an EIA and ensure compliance with national environmental standards for all project-supported infrastructure; ii) introduce best practices in waste treatment, pollution control, and occupational health and safety; and iii) engage local communities in decision-making processes to ensure transparency and address concerns related to environmental and social impacts.

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Reputational		
There is a risk that UNDP's reputation with the Government, development partners and other local, regional or global stakeholders is tarnished.	AEPW members will uphold public commitments to CE principles and not engage in activities that undermine climate/environmental goals during the project.	i) monitor media and conduct reputational due diligence on AEPW as and when required; ii) maintain clear communication that the project is a country-driven, UNDP-managed initiative, not a corporate-led programme, and implement a robust communications and branding protocol that emphasizes transparency, results, and alignment with national policies.

Stakeholder Engagement

The project will ensure ongoing and meaningful stakeholder engagement through a continuous stakeholder engagement approach, incorporating regular consultation, participatory decision-making, transparent communication, and capacity-building efforts.

- Stakeholder Mapping & Regular Consultation: will be conducted at key project milestones to ensure no affected group is overlooked. Regular consultation meetings, policy dialogues, and technical workshops will provide stakeholders with opportunities to contribute to project planning and implementation.
- Participatory Decision-Making: will be a cornerstone of the engagement strategy, ensuring that local governments, private sector actors, and informal waste sector representatives actively shape project interventions. Community-led initiatives and feedback loops will help adapt strategies to real-world needs, fostering local ownership and long-term sustainability.
- Transparent Communication & Reporting: will be prioritized through the publication of periodic reports and updates on project progress, outcomes, and lessons learned. A mix of media, digital platforms, and local events will be used to disseminate information, keeping stakeholders informed and engaged.
- Capacity-Building & Empowerment: will be integral to equipping stakeholders with the skills and knowledge to implement circular economy solutions effectively. The project will strengthen the capacity of government institutions, businesses, and civil society groups while also providing training and livelihood support for waste workers transitioning into formalized waste management roles.

By ensuring inclusive and participatory stakeholder engagement, this project will foster stronger collaboration, mitigate risks, and maximize positive impacts in the transition towards effective and sustainable circular economy-driven waste management systems in Viet Nam.

The project's primary stakeholders include national and local governments and regulatory authorities, including but not limited to provincial and municipal Departments of Agriculture and Environment (DOAE) or other specialised agencies, as well as People's Committees. These entities play a key role in policy development, enforcement, and oversight of waste management regulations. Their engagement will be facilitated through regular consultations, policy dialogues, and capacity-building workshops on best practices and regulatory enforcement.

The private sector and industries, including producers, distributors and retailers, waste management companies, waste recovery enterprises such as cement co-processors, recyclers, and MRF operators, are similarly crucial stakeholders in investment, waste collection, recycling, and circular economy adoption. The project will foster PPPs to drive investment in MRFs and DRS and create platforms for sharing best practices, discussing policy incentives, and supporting businesses in aligning operations with national EPR and circular economy regulations. The role of International Financial Institutions (IFIs) may similarly have a critical role to play to support the de-risking of investment by national private sector stakeholders in the sustainable waste management models being piloted.

The informal waste sector, comprising waste pickers, independent collectors, and small-scale aggregators and recyclers, is a major contributor to waste recovery and recycling, particularly for HVPs. To enhance their role, the project will support their integration into the waste collection and sorting systems, improving working conditions and providing training on efficiency and safety. Furthermore, the project will facilitate their recognition within MRF and DRS operations, ensuring their expertise is leveraged in the waste management system, whilst also avoiding any negative impact to their role in the system. This is critical, as such groups are often already marginalised from decision-making, therefore the project will seek to enhance the informal sector's access to platforms where their voices and perspectives can be heard and integrated into the system's design and operation.

Communities and households, including residents in Quang Ninh and Cam Pha and the identified DRS pilot location, are central to effective waste segregation and behaviour change. The project will drive engagement through public awareness campaigns and educational programs to promote at-source waste sorting, whilst ensuring they have access to knowledge-sharing opportunities (i.e., learning from the plastic waste management model piloted in Quy Nhon).

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Finally, civil society organizations (CSOs) and non-governmental organizations (NGOs), such as the Women's Union, environmental advocacy groups and research institutions, will play a key role in policy advocacy, technical expertise, and community mobilization. The project will establish collaborative partnerships for policy research and knowledge-sharing where necessary, support joint community engagement efforts, and enable CSOs to independently monitor and report on project impacts to ensure transparency and effectiveness. Engagement with the Women's Union will be critical to ensure the project integrates and fosters engagement of women to enhance gender equality in the waste management sector.

South-South and Triangular Cooperation (SSC/TrC)

The project will strategically utilize SSC and TrC to enhance the sustainability of Viet Nam's waste management systems. Knowledge exchange, technology transfer, and provincial collaboration, will be facilitated to ensure that successful models and best practices can be adapted and scaled in Viet Nam from both Phase 2 and Phase 3 projects. These cooperation mechanisms will strengthen institutional capacities, promote innovation, and contribute to the long-term sustainability of waste management interventions.

The project will do so by leveraging active cooperation mechanisms, such as NPAP and the CE Hub, sharing project findings and participating in regional dialogues, whilst aligning its efforts with broader ASEAN commitments on plastic waste reduction and circular economy solutions. Additionally, the project will seek to integrate lessons learned from global financing and policy frameworks into Viet Nam's strategy. Through these efforts, the project will help ensure that Viet Nam's waste management policies are informed by international best practices while also contributing to provincial knowledge-sharing initiatives.

The long-term sustainability of the project's interventions will be ensured by embedding SSC and TrC within Viet Nam's national waste management strategies. Lessons learned from the project's implementation will be systematically documented and disseminated through primarily provincial and national dialogues and knowledge-sharing platforms, but also regional dialogues where possible, positioning Viet Nam as a leader in circular economy solutions within ASEAN. Additionally, the project will advocate for integrating successful models into Viet Nam's national waste management policies, ensuring that pilot initiatives, including the MRF and DRS models, can be replicated and scaled at both the provincial and national levels. By fostering continuous learning and collaboration with regional and global partners, the project will contribute to an enabling environment for sustainable DSW management in Viet Nam.

Through these approaches, SSC and TrC will serve as critical mechanisms for achieving and sustaining the project's outcomes. By leveraging international expertise, fostering cross-provincial and cross-border collaboration, and strengthening Viet Nam's policy and institutional frameworks, the project will accelerate the country's transition to a circular economy for DSW, in particular plastic waste.

Digital Solutions

The project will integrate digital technologies and solutions to improve waste management systems, enhance stakeholder engagement, and facilitate data-driven decision-making. By harnessing digital tools, the project aims to increase efficiency, transparency, and accessibility in DSW recovery and recycling processes while ensuring that key beneficiaries, including government agencies, waste management enterprises, and communities, can actively participate in and benefit from these innovations. Additionally, to enhance awareness and behaviour change, the project will develop digital communication campaigns and leverage interactive platforms to promote project initiatives.

Lastly, digital solutions will play a crucial role in South-South Cooperation (SSC) and knowledge-sharing. By leveraging dedicated and existing online knowledge hubs, such as the Circular Economy (CE) Hub, best practices, policy guidelines, and project learnings will be documented, making them accessible to national and regional stakeholders. Virtual exchange programs, webinars, and AI-powered translation tools will ensure that lessons learned from the project are widely shared across Viet Nam and with regional partners in ASEAN.

By leveraging these digital technologies, the project will create a more efficient, transparent, and participatory waste management system, ultimately improving outcomes for both environmental sustainability and economic viability. These innovations will ensure that the project's impact is scalable, data-driven, and responsive to evolving waste management challenges in Viet Nam.

Knowledge

This project places a strong emphasis on knowledge generation, learning, and dissemination, as outlined in the activities under Outcome 3. It is designed to ensure that learning and knowledge management are mainstreamed throughout

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implementation, enabling local, national, and international stakeholders to learn from and replicate successful project interventions. To achieve this, the project will develop knowledge products that will be disseminated through multi-stakeholder partnership platforms like Viet Nam NPAP and CE Hub both during and beyond the project period.

Key outputs include the standard operating guidelines for the MRF and DRS, which will be made widely accessible to local and national stakeholders. Additionally, videos, infographics, and policy briefs will document the best practices in DSW management, highlighting lessons learned from project initiatives. All materials will be available in both English and Vietnamese, ensuring broader uptake by local civil society organizations (CSOs), non-governmental organizations (NGOs), and municipal authorities.

The project will also leverage UNDP's Accelerator Lab, which promotes a 'working out loud' approach, ensuring that successes, challenges, and lessons learned are communicated widely. Moreover, as described previously, the project will actively engage with the below established networks, sharing insights, fostering collaboration, and contributing to regional and global discussions on waste management and circular economy solutions:

- The National Plastic Action Partnership (NPAP)
- Viet Nam Circular Economy Hub (CE Hub)

Furthermore, the project will build on its strong bilateral collaboration with MAE, ensuring that pilot results inform national policy frameworks and contribute to ASEAN-level policy discussions.

Across all three Outcomes, the project will apply a human-centered innovation and portfolio design approach as a critical tool to build the capacity of diverse stakeholders in the waste management ecosystem. This approach is gaining momentum in Viet Nam among government partners, donors, and development organizations, increasing the likelihood that the learning generated will drive further interest, investment, and policy action on sustainable waste management.

Sustainability and Scaling Up

The project builds on and strengthens the foundations and successes established by the collaborative approach of UNDP and The Norwegian Embassy in Hanoi with local stakeholders under Phase 1 and Phase 2, including 5 cities and provinces of Quang Ninh, Da Nang, Binh Dinh, Binh Thuan and Binh Duong, which has focussed on the recovery and recycling of plastic waste whilst incorporating tailored policy and regulatory interventions for the sustainable and inclusive development of local and national waste management systems. This project, however, will seek to showcase enhanced sustainability and opportunities for scaling through a number of levers, in particular, the strengthened engagement, commitment and investment of private sector through PPPs.

The project is designed to align with and strengthen Viet Nam's existing national systems for waste management and circular economy while ensuring long-term sustainability and scalability. It will leverage and enhance policy frameworks, especially regulations on waste sorting at source, EPR scheme, institutional mechanisms, and private sector engagement to develop circular models and integrate project results into national and local governance structures, ensuring continued impact beyond the project duration.

The project will work closely with key government agencies, including MAE and local-level DOAEs, as well as local People's Committees to ensure that the project's interventions are embedded in national and provincial waste management strategies. The project's outputs, including the provincial roadmap for low-value plastic (LVP) management and the guidelines for sorting at-source, will be integrated into existing waste management plans at the provincial and municipal levels.

Government agencies and local authorities will receive training and technical support to ensure they can enforce, monitor, and expand waste sorting, recovery and recycling, aligning with extended producer responsibility (EPR) regulations. Upon project completion, local governments will take ownership of policy enforcement, monitoring mechanisms, and infrastructure maintenance to sustain outcomes.

Sustained private sector involvement is essential for long-term impact, particularly in scaling up recycling infrastructure and market-driven waste recovery solutions. The project will facilitate a PPP to establish and operate the MRF for LVP recovery, ensuring long-term viability through business-driven waste management models. It will also promote private sector investment and participation in circular economy solutions, such as the DRS scheme, encouraging companies to take an active role in sustainable waste management. By aligning with Viet Nam's EPR regulations, the project will support producers and businesses in meeting their compliance requirements, fostering a self-sustaining system of waste collection, recovery and recycling.

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IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project adopts an integrated approach, leveraging existing initiatives and local expertise to maximize efficiency, cost-effectiveness, and sustainability. By building on the successes of Phases 1 and 2, it aligns with ongoing DSW and plastic management efforts, ensuring coordinated activities, joint awareness campaigns, and shared technical assessments to avoid duplication and optimize resources.

Rather than creating new structures, the project strengthens existing partners with expertise in waste recovery and circular economy solutions, enabling faster and more cost-efficient implementation while enhancing long-term local capacity. Activities will be implemented simultaneously at multiple levels, from national policy development to on-the-ground pilots, ensuring a holistic response to systemic waste management challenges. This integrated approach, informed by lessons from previous waste management programs in Viet Nam, enhances the project's ability to drive lasting impact.

Finally, the project integrates international best practices, such as DRS and MRFs, while adapting them to Viet Nam's policy, market, and waste management context. It also ensures alignment with global circular economy trends, making it more attractive for private sector co-investment and international funding opportunities. At the same time, the approach is informed by lessons from similar interventions in Viet Nam, including the importance of early stakeholder engagement, clear regulatory incentives, and public-private collaboration for scaling impact.

Project Management

The project will be implemented using Direct Implementation Modality (DIM), with UNDP as the Implementing Partner (IP) under the MYWP. The local authority for Phu Quoc will also act as an RP under the MYWP[27] for Output 2.2.

The project will be managed and implemented by the local project management unit (PMU) and the Project Team pertaining to the Climate Change and Environment Unit at UNDP Viet Nam. The Project Board will be established to provide overall guidance and provide objective and independent project oversight and monitoring functions. Government representatives will participate in the Project Board, and as such, they will share the responsibility of monitoring the project against the set indicators to ensure its success and promptly undertake any actions necessary to keep project implementation on track. The Project Board will be chaired by a senior representative of UNDP Viet Nam, and will comprise the representatives of Norwegian Embassy and the People's Committee of Quang Ninh province as well as the People's Committee of the pilot DRS location. The project will ensure government inclusion, engagement, and interest in creating and facilitating the deployment and scale-up of the both the MRF and DRS interventions.

The project will establish a local PMU in Quang Ninh / Cam Pha, in which the leader of the People's Committee will be the Director of the PMU, and state management agencies including the Department of Natural Resources and Environment, will be members of the PMU. Units under the People's Committee including the Department of Natural Resources and Environment, and others, will take the main responsibility to implement the Project. This approach will be replicated in the identified province/location where the DRS is to be piloted to foster and enhance local ownership of the initiative.

The UNDP project team consists of:

The Project Manager: responsible for reviewing and approving the project work plan and disbursement plan whilst taking the lead in decision-making for all project's activities. The Project Manager will be responsible for overseeing the implementation of the annual work plans as well as the yearly progress and final reports. The Project Manager will review the TORs for studies, surveys, consultancies, equipment procurement, etc.; review outputs produced by project consultants and subcontractors and approve for payment; maintain regular contact with local stakeholders including Quang Ninh PC, [DRS pilot province] PC, MAE, DOAE, and other project's stakeholders.

The Project Officer: responsible for the day-to-day management and all aspects of quality management oversight of the project, including activities carried out by the PMU of Cam Pha and [DRS] city. The Project Officer will draw up and update project work plans, propose adjustments as needed and submit them to the Project Manager; coordinate with the technical officer in local and internationals consultants to prepare TORs for studies, surveys, consultancies,

[27] This is dependent on the suitability of Phu Quoc Island to be selected as the design trial location for the DRS model.

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procurement of equipment etc.; review outputs produced by project consultants and subcontractors and according to the quality and relevance of these outputs in accordance with agreed terms of reference and the project objectives; support to implement all administrative procedures and support services related to the preparation of the project's activities.

The Programme Associate: will undertake project management support, predominantly on a part-time basis, including financial, administrative, procurement, monitoring and evaluation tasks, and communication activities.

International Consultants: will assist and report to the Project Manager in project management, implementation and quality assurance, coordination with partners ensuring reporting and monitoring of the Project in compliance with UNDP rules, regulations and mandates. International Consultants will coordinate with the Project Officer and local Technical Officer to develop the TORs on baseline studies, waste characterisation and composition analyses, design and operation of the MRF and DRS, and development of provincial regulation/policy/strategy on waste management and circular economy. When needed, International Consultants will provide technical inputs to improve the outputs delivered by consultants and contractors of the project. International Consultants also provide technical supports to implement the activities in Outcome 2 of the project, including communication, sharing knowledge and experience of the integrated waste management models at national and regional levels.

The UNDP project team will leverage the:

Local Technical Officer: who will provide technical and administrative supports at the field to the Project Manager and the Project Officer as well as to the local PMU where both the MRF and DRS models are piloted. The Technical Officer will provide support to the work on baseline studies (waste value chain / characterization) in Cam Pha City, acceleration of local authority's involvement to approve the designs of the MRF and DRS, and to approve provincial regulation/policy/strategy on LVP waste management and sorting at-source. They will review outputs of all activities, events and workshops implemented by the local PMU, and report to the Project Manager.

The project has a clearly defined governance and project management structure, as shown in section *VIII. Governance and Management Arrangements*.

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V. RESULTS FRAMEWORK[28]

Intended Outcome as stated in the UNSDCF/Country Programme Results and Resource Framework:

UNSDCF Outcome 2: By 2026, people in Viet Nam, especially those at risk of being left behind, benefit from and contribute to a safer and cleaner environment resulting from Viet Nam's effective mitigation and adaptation to climate change; disaster risk reduction and resilience building; promotion of circular economy; provision of clean and renewable energy; and sustainable management of natural resources.

UNDP CPD Output 2.2: Policies and solutions designed and implemented for transformation to low-carbon development, circular economy and environmental protection.

Outcome indicators as stated in the Country Programme [or Regional] Results and Resources Framework, including baseline and targets:

Indicator 2.2.2: Number of UNDP-assisted businesses that demonstrate green production and reduction of environmental pollution. *[Baseline: 0 | Target: 50]*

Applicable Output(s) from the UNDP Strategic Plan:

Output 2.2: Policies and solutions designed and implemented for transformation to low-carbon development, circular economy and environmental protection.

Project title and Quantum Project Number: Transforming Waste to Resources through Strengthening National Capacity for Circular Economy and Inclusive Waste Solutions (# TBD)

EXPECTED OUTPUTS	OUTPUT INDICATORS[29]	DATA SOURCE	BASELINE		TARGETS			DATA COLLECTION METHODS & RISKS
			Value	Year	Y1	Y2	Y3[30]	
OUTCOME 1: EFFECTIVE DOMESTIC SOLID WASTE (DSW) MANAGEMENT MODEL, INCLUSIVE OF A MATERIAL RECOVERY FACILITY, THAT ENABLES THE RECOVERY OF LOW-VALUE PLASTIC (LVP) FOR CO-PROCESSING IN CEMENT PLANTS IN 01 PROVINCE/LOCATION.								
Output 1.1: At-source sorting policy, infrastructure, awareness, enforcement, and monitoring capacities in Quang Ninh and Cam Pha City strengthened.	***1.1.1:*** *# of provincial/municipal technical guidelines developed for the enhanced sorting at source.*	Baseline data, project monitoring and reporting.	0	2025	0	1	1	TBD
	1.1.2: *# of individuals at the local authority level (disaggregated by sex and age) trained/capacitated on new operational procedures and guidelines.*		0	2025	0	30	50	TBD
	1.1.3: *# of wards/communes reached through targeted awareness/communication campaigns for improved compliance with at-source sorting.*		0	2025	3	7	10	TBD
	1.1.4: *# of households (disaggregated by ward/commune) trained/capacitated for enhanced at-source sorting, enforcement and monitoring.*		0	2025	3,000	7,000	10,000	TBD
Output 1.2: Short-term investment achieved, and a sorting centre	***1.2.1:*** *# of PPPs established to improve domestic solid waste management.*		0	2025	0	1	2	TBD

[28] 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.

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

[30] Year 3 (Y3) also serves as the **final** target for each indicator.

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EXPECTED OUTPUTS	OUTPUT INDICATORS[29]	DATA SOURCE	BASELINE		TARGETS			DATA COLLECTION METHODS & RISKS
			Value	Year	Y1	Y2	Y3[30]	
established to receive and recover waste from at-source sorting programme in Quang Ninh and Cam Pha City.	***1.2.2:*** *# of guidelines developed to support the operationalisation of the sorting centre.*		0	2025	0	1	2	TBD
	1.2.3: *# tonnes of recyclable and recoverable material (disaggregated by waste stream) diverted from landfill.*		0	2025	TBD	TBD	TBD	TBD
Output 1.3: Long-term strategic investment for a waste treatment facility (Material Recovery Facility - MRF) achieved and waste management strategy developed for Quang Ninh/Cam Pha City.	***1.3.1:*** *# of integrated waste management models developed for the enhanced management of domestic solid waste*		0	2025	0	0	1	TBD
	1.3.2: *# of provincial/municipal waste management strategy/policy developed for the enhanced management of domestic solid waste.*		0	2025	0	0	1	TBD
OUTCOME 2: A SCALABLE AND CONTEXTUALISED DEPOSIT RETURN SCHEME (DRS) THAT SUPPORTS EFFECTIVE WASTE-TO-RESOURCE TRANSFORMATIONS.								
Output 2.1: DRS operational framework designed, and Public-Private Partnership established for its implementation in Phu Quoc Island.	***2.1.1:*** *# of agreements/partnerships (including PPPs) secured from local authorities to support the pilot DRS.*	Baseline data, project monitoring and reporting.	0	2025	1	1	1	TBD
	2.1.2: *# of stakeholders (disaggregated by role in the waste management system) consulted during identification process.*		0	2025	2	3	5	TBD
Output 2.2: Local authority operational framework established to support DRS design trial.	***2.2.1:*** *# operational procedures or guidelines developed for the enhanced management of recyclable waste under a DRS.*		0	2025	0	1	3	TBD
Output 2.3: DRS implemented and evaluated to inform national scaling and replication.	***2.3.1:*** *# tonnes of recyclable waste (disaggregated by waste type) diverted to recycling facilities and away from landfill or leakage into the environment.*		0	2025	TBD	TBD	TBD	TBD
OUTCOME 3: STRENGHTENED PROVINCIAL AND NATIONAL POLICY, KNOWLEDGE MANAGEMENT AND MONITORING AND EVALUATION FOR A TRANSITION TOWARDS A CIRCULAR ECONOMY AND SUSTAINBLE DSW MANAGEMENT.								
Output 3.1: National and provincial policy and regulatory environment to enable the transition towards a circular economy enhanced.	***3.1.1:*** *# of national policies and regulations on DSW management and circular economy strengthened or enhanced.*	Baseline data, project monitoring and reporting.	0	2025	0	1	2	TBD
	3.1.2: *# of individuals (disaggregated by sex, age, role in the DSW management sector) trained/capacitated at the national and provincial level.*		0	2025	50	200	400	TBD
	3.1.3: *# of targeted communication materials and awareness campaigns disseminated via national knowledge management mechanisms.*		0	2025	2	5	10	TBD
OUTCOME 4: INVESTMENT-READY SOLUTIONS FOR PLASTIC WASTE RECOVERY IDENTIFIED THROUGH A SYSTEMS-BASED APPROACH TO ESTABLISH MATERIAL RECOVERY FACILITIES (MRFs) IN PRIORITY URBAN LOCATIONS.								
Output 4.1: Technical feasibility of integrated Material Recovery Facilities (MRFs) assessed to support circular	***4.1.1:*** # of context-responsive and replicable Waste Analysis Characterization Study (WACS) methodologies developed.	Baseline data, project	0	2025	1	1	1	TBD

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EXPECTED OUTPUTS	OUTPUT INDICATORS[29]	DATA SOURCE	BASELINE		TARGETS			DATA COLLECTION METHODS & RISKS
			Value	Year	Y1	Y2	Y3[30]	
plastic economy planning in selected urban locations.		monitoring and reporting.						
Output 4.2: Investment-ready programme for the establishment of MRFs developed, including pre-engineering design and implementation planning.	***4.2.1:*** # of investment-ready MRF packages developed.	Baseline data, project monitoring and reporting.	0	2025	3	3	3	TBD
	4.2.2: # of formal agreements obtained for the implementation of investment-ready MRF packages.		0	2025	3	3	3	TBD

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	Partners (if joint)	Cost (if any)
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.	DOAEs and PPCs in project locations (Quang Ninh / Cam Pha / DRS pilot location TBD) and UNDP	Embedded
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.	DOAEs and PPCs in project locations (Quang Ninh / Cam Pha / DRS pilot location TBD) and UNDP	Embedded
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.	DOAEs and PPCs in project locations (Quang Ninh / Cam Pha / DRS pilot location TBD) and UNDP	Embedded
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.	N/A	Embedded
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.	N/A	Embedded

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Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
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 long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		PPCs in project locations (Quang Ninh / Cam Pha / DRS pilot location TBD) and UNDP	Embedded
Project Review (Project Board)	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.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	MAE, DOAEs and PPCs in project locations (Quang Ninh / Cam Pha / DRS pilot location TBD), UNDP and The Norwegian Embassy in Hanoi	Embedded

Evaluation Plan[31]

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNSDCF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Terminal Evaluation	TBD	Output 2.2	Outcome 2	TBD	MAE, DOAE, PPCs	Embedded

[31] Optional, if needed

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VII. MULTI-YEAR WORK PLAN (MYWP) [32][33]

EXPECTED OUTPUTS	PLANNED ACTIVITIES	ANNUAL BUDGET (USD)			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Amount (USD)	Amount (NOK)
OUTCOME 1: EFFECTIVE DOMESTIC SOLID WASTE (DSW) MANAGEMENT MODEL THAT ENABLES THE RECOVERY OF LOW-VALUE PLASTIC (LVP) FOR CO-PROCESSING IN CEMENT PLANTS IN 01 PROVINCE/LOCATION.								
Output 1.1: At-source sorting policy, infrastructure, awareness, enforcement, and monitoring capacities in Quang Ninh and Cam Pha City strengthened. *Gender marker: GEN2*	1.1.1: Conduct a baseline assessment of waste generation, including a waste analysis and characterization study (WACS).	40,000	0	0	UNDP	Norway	40,000	426,600
	1.1.2: Conduct sorting-at source needs assessment and develop provincial and/or municipal technical guidelines to strengthen at-source sorting.	20,000	0	0			20,000	213,300
	1.1.3: Develop and implement gender sensitive local stakeholder trainings, information, awareness-raising and communication strategies in line with technical guidelines for increased compliance with at-source sorting.	60,000	0	0			60,000	639,900
	1.1.4: Provide the required infrastructure to enhance provincial and municipal at-source sorting capacities.	56,000	42,000	42,000			140,000	1,493,100
	1.1.5: Build provincial and municipal enforcement and M&E capacities of local authorities to ensure adherence with at-source sorting policies and guidelines.	15,000	15,000	0			30,000	319,950
	Sub-Total for Output 1.1						**290,000**	**3,092,850**
Output 1.2: Short-term investment achieved and a sorting centre established to receive and recover waste from at-source sorting programme in Quang Ninh and Cam Pha City. *Gender marker: GEN2*	1.2.1: Establish a Public-Private Partnership between the local authority and private sector with clear operational roles and responsibilities of participating stakeholders to operate the sorting centre.	10,000	10,000	0	UNDP	Norway	20,000	213,300
	1.2.2: Provide technical support to design sorting and recycling/ recovery infrastructure required for the sorting facility.	20,000	20,000	0			40,000	426,600

[32] 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

[33] 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.

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EXPECTED OUTPUTS	PLANNED ACTIVITIES	ANNUAL BUDGET (USD)			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Amount (USD)	Amount (NOK)
	1.2.3: Facilitate infrastructural and operational support during the primary investment-phase of the sorting centre (facility construction and operation).	45,000	52,500	52,500			150,000	1,599,750
	Sub-Total for Output 1.2						**210,000**	**2,239,650**
Output 1.3: Long-term strategic investment for a waste treatment facility (Material Recovery Facility - MRF) achieved and waste management strategy developed for Quang Ninh/Cam Pha City. *Gender marker: GEN2*	1.3.1: Review, assess and strengthen local waste management policy and regulations, i.e., provincial/city roadmap, waste management strategy and implementation guidelines, including integration of a waste treatment facility and remediation plan for Mong Duong landfill, for improved waste management.	0	16,000	24,000	UNDP	Norway	40,000	426,600
	1.3.2: Support the development of a local authority Request for Proposal for comprehensive waste treatment package from private sector.	0	5,000	5,000			10,000	106,650
	1.3.3: Develop an investment-ready design and business model and support infrastructure integration and operation of an MRF to expand the capacities of the sorting facility, synergising with SINTEF and QNC investment.	0	22,750	42,250			65,000	693,225
	1.3.4: Identify alternative waste streams and effectively integrate the informal sector into MRF operations and align operationalisation of the MRF with the national EPR mechanism.	0	10,000	10,000			20,000	213,300
	1.3.5: Conduct training and capacity-building for key local stakeholders (i.e., local authorities, private sector, informal waste workers).	9,000	9,000	12,000			30,000	319,950
	Sub-Total for Output 1.3						**165,000**	**1,759,725**
	Direct Project Costs (DPC)	23,100	23,100	23,800	UNDP	Norway	70,000	746,550
	Total for Outcome 1						**735,000**	**7,838,775**
OUTCOME 2: A SCALABLE AND CONTEXTUALISED DEPOSIT RETURN SCHEME (DRS) THAT SUPPORTS EFFECTIVE WASTE-TO-RESOURCE TRANSFORMATIONS.								
Output 2.1: DRS operational framework designed, and Public-Private Partnership established for its implementation in Phu Quoc island.	2.1.1: Conduct an inclusive scoping analysis to prepare the DRS design trial, engaging key stakeholders across the value chain to align the system to local context and needs.	10,000	0	0	UNDP	Norway	10,000	106,650

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EXPECTED OUTPUTS	PLANNED ACTIVITIES	ANNUAL BUDGET (USD)			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Amount (USD)	Amount (NOK)
Gender marker: GEN2	2.1.2: Establish a Public-Private Partnership(s) to confirm investment, roles and responsibilities in the DRS design trial.	10,000	0	0			10,000	106,650
	2.1.3: Design the scalable operational model of the DRS trial with Pro Bono support from private sector and present to local authorities.	10,000	0	0			10,000	106,650
	Sub-Total for Output 2.1						**30,000**	**319,950**
Output 2.2: Local authority operational framework established to support DRS design trial. *Gender marker: GEN2*	2.2.1: Support the design of the local operational model through engagement of relevant local stakeholders (government, private sector, CSOs) to foster adoption and compliance in the DRS design trial.	0	10,000	10,000	Local Govt. Authority	Norway	20,000	213,300
	2.2.2: Implement gender-sensitive behaviour-change and awareness-raising campaigns to educate communities and businesses on DRS.	0	42,500	42,500			85,000	906,525
	2.2.3: Identify, engage and build the capacity of local private sector actors (manufacturers, importers, retailers), formal and informal waste stakeholders to participate in the pilot DRS.	0	15,000	15,000			30,000	319,950
	2.2.4. Build enforcement, monitoring and evaluation capacities of local authorities.	0	20,000	20,000			40,000	426,600
	Sub-Total for Output 2.2						**175,000**	**1,866,375**
Output 2.3: DRS implemented and evaluated to inform national scaling and replication. *Gender marker: GEN 2*	2.3.1: Contribute to DRS infrastructure in collaboration with local authorities and private sector.	0	25,000	25,000	UNDP	Norway	50,000	533,250
	2.3.2: Implement DRS design trial for 12-24 months.	0	40,000	40,000			80,000	853,200
	2.3.3: Analyse DRS results and support the development of a scale-up or replication strategy, including policy recommendations and investment needs.	0	0	20,000			20,000	213,300
	Sub-Total for Output 2.3						**150,000**	**1,599,750**
	Direct Project Costs (DPC)	16,500	16,500	17,000	UNDP	Norway	50,000	533,250
	Total for Outcome 2						**405,000**	**4,319,325**

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EXPECTED OUTPUTS	PLANNED ACTIVITIES	ANNUAL BUDGET (USD)			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3		Funding Source	Amount (USD)	Amount (NOK)
OUTCOME 3: STRENGHTENED PROVINCIAL AND NATIONAL POLICY, KNOWLEDGE MANAGEMENT AND MONITORING AND EVALUATION FOR A TRANSITION TOWARDS A CIRCULAR ECONOMY AND SUSTAINBLE DSW MANAGEMENT.								
Output 3.1: National and provincial policy and regulatory environment to enable the transition towards a circular economy enhanced. *Gender marker: GEN2*	3.1.1: Contribute to the development, implementation and enforcement of key national and global policy (i.e., Extended Producer Responsibility, Global Treaties, DRS).	12,000	12,657	19,343	UNDP	Norway	44,000	469,260
	3.1.2: Document and disseminate best practices and lessons learned to support knowledge sharing and informed decision-making at the national and provincial levels.	0	22,000	22,000			44,000	469,260
	3.1.3: Conduct knowledge-sharing from the Quy Nhon waste management model to improve waste management and accelerate circular economy initiatives in other localities.	7,809	4,191	0			12,000	127,980
	3.1.4: Conduct regular Monitoring and Evaluation, including terminal evaluation, of project interventions.	7,200	7,200	9,600			24,000	255,960
	Sub-Total for Output 3.1						**124,000**	**1,322,460**
	Direct Project Costs (DPC)	8,230	8,380	8,784	UNDP	Norway	25,393	270,815
	Total for Outcome 3						**149,393**	**1,593,275**
Total Project Costs		343,839	472,778	472,777	UNDP	Norway	1,289,393	13,751,375
General Management Support (GMS)		27,507	37,822	37,822			103,151	1,100,110
UN Coordination Levy (1%)		3,713	5,106	5,106			13,925	148,515
TOTAL							**1,406,470**	**15,000,000**

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EXPECTED OUTPUTS	PLANNED ACTIVITIES	ANNUAL BUDGET (USD)			RESPONSIBLE PARTY	PLANNED BUDGET	
		Y1	Y2	Y3		Funding Source	Amount (USD)
OUTCOME 4: INVESTMENT-READY SOLUTIONS FOR PLASTIC WASTE RECOVERY IDENTIFIED THROUGH A SYSTEMS-BASED APPROACH TO ESTABLISH MATERIAL RECOVERY FACILITIES (MRFs) IN PRIORITY URBAN LOCATIONS.							
Output 4.1: Technical feasibility of integrated Material Recovery Facilities (MRFs) assessed to support circular plastic economy planning in selected urban locations. *Gender marker: GEN2*	4.1.1: Conduct a scoping analysis across project locations, engaging with local authorities and waste operators to confirm city participation, validate potential MRF sites, and secure letters of support for the feasibility study and future investment planning.	10,000	0	0	UNDP	AEPW	10,000
	4.1.2: Conduct detailed assessments of plastic waste generation, composition, sourcing areas, and material flows, including inputs from municipal and informal sectors, infrastructure conditions, legal frameworks, and integration potential with sorting-at-source systems.	50,000	0	0			50,000
	4.1.3: Develop a technical Feasibility Study, including feasibility analysis and recommendations to inform pre-engineering and investment-readiness.	20,000	0	0			20,000
	Sub-Total for Output 4.1						**80,000**
Output 4.2: Investment-ready programme for the establishment of MRFs developed, including pre-engineering design and implementation planning. *Gender marker: GEN2*	4.2.1: Develop site-specific technical designs for MRFs, including facility layout, equipment selection, throughput modelling, and mass balance aligned with feedstock and recovery targets.	30,000	0	0	UNDP	AEPW	30,000
	4.2.2: Prepare MRF business plans including CAPEX/OPEX estimates, off-take feasibility, EPR integration, and financial projections to support investment decision-making and co-financing strategies.	30,000	0	0			30,000
	4.2.3: Integrate all technical, financial, and institutional components into a final investment-ready implementation package for each city, aligned with national regulations and stakeholder inputs.	23,083	0	0			23,083
	Sub-Total for Output 4.2						**83,083**
	Direct Project Costs (DPC)	156,000	0	0	UNDP	AEPW	156,000
	Total for Outcome 4						**319,083**
Total Project Costs		319,083	0	0	UNDP	AEPW	319,083
General Management Support (GMS)		25,527	0	0			25,527
UN Coordination Levy (1%)		3,446	0	0			3,446
TOTAL							**348,056**

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VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

As the Responsible Party (RP) for the project, UNDP will be responsible for project implementation and quality assurance in accordance with UNDP Financial Rules and Regulations, and Programme and Operations Policies and Procedures. In relation to this, UNDP will follow up on management actions, keeping track of progress benchmarks, perform regular monitoring activities, ensure timely disbursement of funds to responsible parties (if any) towards the intended outputs and appropriate use of resources entrusted to the project. UNDP will participate in monitoring, reviewing and evaluating missions of the project together with RPs and representatives of direct beneficiaries and communities, where deemed relevant. UNDP will provide necessary technical backstopping for execution and implementation of the project in accordance with the approved work plans, receive, review and approve substantive and financial reports from, and disburse directly the requested funds to RPs.

UNDP will also establish a Project Board for the project. The Project Board will be responsible for making management decisions for the project when guidance is required by the Project Manager, including recommendation for UNDP or RP approval of project plans and revisions. The Project Board will be composed of the UNDP Deputy Resident Representative as the Executive (chair), a representative from the Norwegian Embassy in Hanoi (donor/supplier), and representatives from provincial authorities and MAE (beneficiaries). See the diagram below:

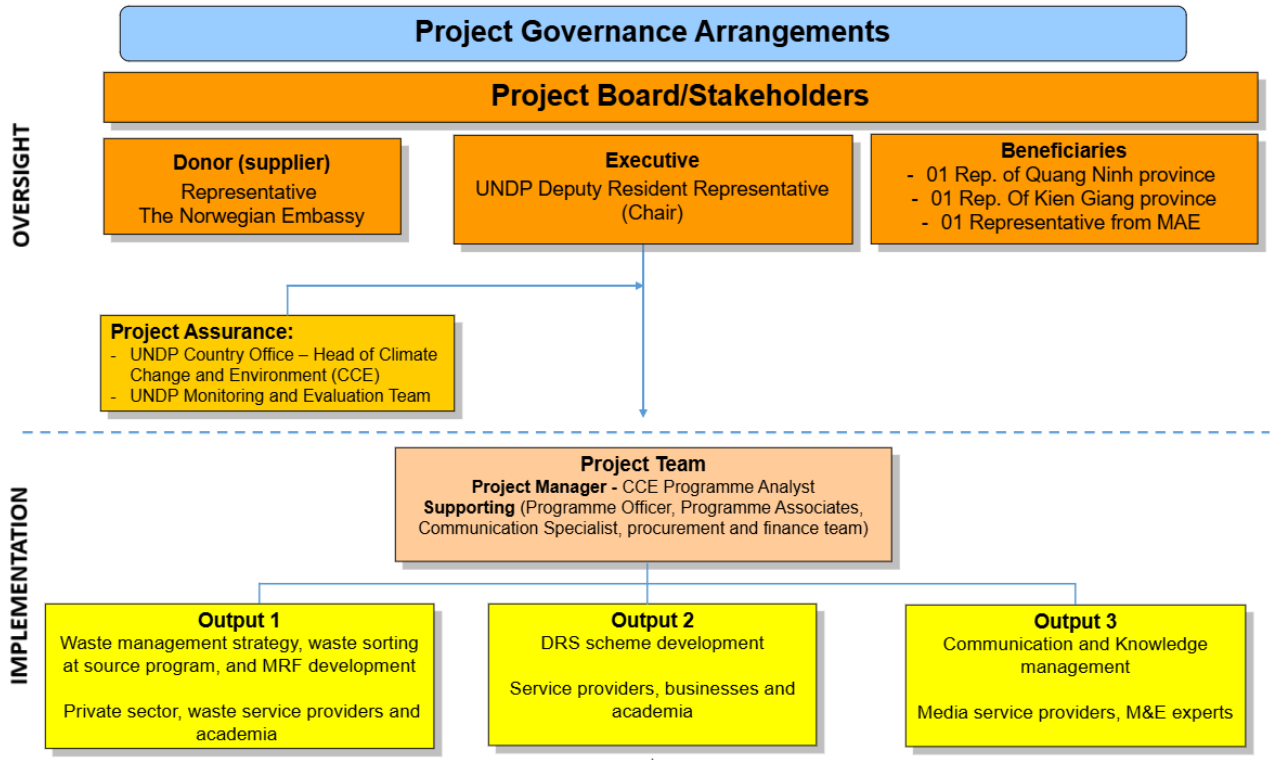


Figure 2: Project governance arrangements diagram.

IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Viet Nam and UNDP, signed on 21 March 1978. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by UNDP ("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 value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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X. RISK MANAGEMENT

UNDP (DIM)

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][34] [UNDP funds received pursuant to the Project Document][35] are used to provide support to individuals or entities associated with terrorism , that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
    a. Consistent with the Article III of the SBAA *[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;
        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 (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

[34] To be used where UNDP is the Implementing Partner
[35] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

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(a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

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

(i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
(ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
(iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
(iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

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

e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.

g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, 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, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

h. 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 (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-

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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.

i. 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.

j. 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, corruption other financial irregularities 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.

k. 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 corruption, other financial irregularities 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, corruption or other financial irregularities, 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.

l. 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.

m. 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.

n. 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.

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XI. ANNEXES

1. ***Project Quality Assurance Report***
2. ***UNDP Social and Environmental Screening Procedure (SESP)***
3. ***Risk Analysis***
4. ***Gender Checklist***
5. ***Outcome 1:*** Minutes of Meeting between UNDP, The Norwegian Embassy and Private Sector
6. ***Outcome 2:*** Preliminary DRS Operational and Financial Model
7. ***AEPW Viet Nam Flagship Programme***
8. ***Capacity Assessment***: Results of capacity assessments of Implementing Partner (including Partner Capacity Assessment Tool (PCAT) and HACT Micro Assessment)[36]

[36] To be conducted during project Inception Phase if required.