Viet Nam
Urban Green Growth Action, Phase II

Overview

<table>
<thead>
<tr>
<th>Overview</th>
<th>GGPI</th>
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<tbody>
<tr>
<td>Owning division</td>
<td>GGPI</td>
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<tr>
<td>Country / Region / Global implementation</td>
<td>Viet Nam / Asia &amp; the Pacific</td>
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<tr>
<td>Thematic area</td>
<td>Green City Development</td>
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<tr>
<td>Project start date</td>
<td>Q1 2018</td>
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<tr>
<td>Funding source</td>
<td>Core</td>
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<tr>
<td>Approved budget for 2018</td>
<td>USD 664,028.05</td>
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<td>Actual expenditure</td>
<td>USD 492,780.12</td>
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<tr>
<td>% utilization of inputs</td>
<td>74.21%</td>
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<tr>
<td>% of outputs achieved</td>
<td>66.67%</td>
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Highlights

- Approval of the Urban Green Growth Development Plan to 2030.
- Approval of the Urban Green Growth Indicators.

Relevant SDGs

- **SDG 6.** Ensure availability and sustainable management of water and sanitation for all.
- **SDG 7.** Ensure access to affordable, reliable, sustainable and modern energy for all.
- **SDG 8.** Promote sustained, inclusive and sustainable economic growth, full and productive.
- **SDG 11.** Make cities and human settlements inclusive, safe, resilient and sustainable.
- **SDG 12.** Ensure sustainable consumption and production patterns.
- **SDG 13.** Take urgent action to combat climate change and its impacts.

Context

Viet Nam's economic growth in recent decades has been accompanied by significant rural to urban migration, which has led to increased social and environmental challenges. While Viet Nam's cities represent potential engines for strong economic growth, the largest urban centers operate with poor urban design and lack adequate infrastructure. Cities also lack sufficient levels of green growth investment, due in part to insufficient climate change and green growth mainstreaming in policy and planning processes, and climate-relevant project orientation.

To address these challenges Viet Nam has adopted a National Green Growth Strategy (VGGS), which includes priorities to deploy technologies to adapt to climate change and reduce GHG emissions through green growth actions in infrastructure, employment, and natural capital. Following up the VGGS, Vietnam Country Team has been providing technical assistance on policy development and policy implementation.

Overall objective

Cities in Viet Nam decrease poverty, GHG emissions and increase resilience to climate change.
## Results achieved in 2018

### OUTCOME 1

**Green Master Plan aligned with NDC target is accepted by the Government.**

GGGI has achieved two policies being approved by the government of Viet Nam this year:

- Urban Green Growth Development Plan to 2030 (approved by the Prime Minister)
- Urban Green Growth Indicators (approved by the Minister of Construction)

These policies taken together provide the roadmap for achieving green growth and the NDC and a system to track implementation – a first in Viet Nam.

GGGI has also taken these policies down to the city level, by working directly with cities to implement the indicators, mainstream green growth into a municipal waste to energy project (either Bac Ninh or HCMC) and rolling out solar rooftop in an industrial park in Bien Hoa – all key priority activities of the Urban Green Growth Development Plan.

### OUTCOME 2

**Urban green growth policy recommendations accepted by Government.**

**OUTPUT 2.1**

**Green growth mainstreamed into the 2021-2025 National Urban Development Program (NUDP).**

GGGI closely worked with MOC and the RTI to produce a guideline to mainstream green growth in the City Plans. The guidelines have been accepted by the Ministry of Construction and welcomed by the provincial and city government officers.

GGGI worked with MOC to develop the Urban Green Growth Plan signed by the Prime Minister. This is the first government legal document on urban green growth approved by the Prime Minister.

**OUTPUT 2.2**

**Urban green growth indicators piloted in three cities.**

In 2016, the Green Growth City Indicators were developed and submitted to the Ministry of Construction (MOC). MOC has implemented the indicators via a ministerial Circular No. 01/2018/TT-BXD in 2018 mandating the cities to report against them. It is a significant contribution to urban green growth policies in Viet Nam as the first legal document on urban green growth and will now allow MOC to be able to track both the successes of implementing green growth but also where challenges remain.

In the circular, the indicators are used to evaluate the status of urban green growth in Viet Nam. Piloting the indicators in three cities (Yen Bai, Da Lat and Tra Vinh) helps GGGI identify gaps, trends, and the need for further policy intervention that it can contribute in the future at both national and local levels.

### OUTCOME 3

**Finance accessed for green cities project.**

**OUTPUT 3.1**

**One Bankable project developed in sustainable urban infrastructure (MSWTE).**

EEP and GGGI send written interest letter to MSWTE developers in late October 2018. Four developers showed interest on GGGI’s value add as a mandated financial advisor. In late November, GGGI met with these four developers in HCMC and Hanoi.

**OUTPUT 3.2**

**One Bankable project developed in sustainable urban infrastructure (solar rooftop).**

The advisory agreement with the local bank and the DFI is the targeted outcome of this project. Through the Leasing Finance Facility Model, the solar providers receive debt financing at relatively low costs and receive relatively quick access to working capital through the security issuance. The low yield on the securities is particularly important given the capital intensity of the solar business.

### Reasons if progress was below target

- **Output 3.1:** The start of the assessment was slightly delayed, because EEEP wanted the feasibility studies to be completed before introducing GGGI to the developers.
- **Output 3.2:** Based on the recent assessments of PV rooftop business models the operating margin are razor thin. In order to enhance catalytical PV deployments, GGGI aims to work with local banks to provided blended finance facility to support PV rooftop developers.
Additional results

- GGGI wrote chapter for OECD report which was launched at the World Urban Forum.
- GGGI has delivered several communications activities:
  1. GGGI has presented in Ninth session of the World urban Forum and other workshops.
  2. Interviewed by VTC10.
  3. Published an Insight Brief on Achieving Viet Nam’s NDC in urban sector.

Lessons learned

- Need for a strong business case for bankable projects with clear scalability of impact.
- Implementation of the indicators has highlighted some data challenges, this was overcome by working closely with the GSO – held event with MOC in December to discuss this and ensure lessons are shared with other cities.

Partners

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<th>Local</th>
<th>International</th>
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<tr>
<td>Ministry of Construction (MOC)</td>
<td>Development partners including ADB, GIZ, SECO, UN organizations, and WB.</td>
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<td>Provincial and City People’s Committees (CPC) in target provinces and cities</td>
<td>EEP Mekong and project sponsors</td>
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