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Date: 24 May 2018

## INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

for individual consultants and individual consultants assigned by consulting firms/institutions

Country:	Viet Nam
Description of the assignment:	<b>01 National Consultant on environment fiscal tools:</b> <b>- Team Member (55 working days):</b>
Project name:	<b>Assessment of the effectiveness of the collection, management and utilisation of taxes and fees on environment protection and CO2 emission reduction with specific policy recommendations</b>
Period of assignment/services (if applicable):	<b>May 2018 – November 2018</b>
Tender reference:	<b>A-180506</b>

1. Submissions should be sent by email to: [quach.thuy.ha@undp.org](mailto:quach.thuy.ha@undp.org) no later than: **7 June 2018** (Hanoi time).

**With subject line:**

**(A-180506) - Team Member**

Submission received after that date or submission not in conformity with the requirements specified this document will not be considered.

### Note:

- Any individual employed by a company or institution who would like to submit an offer in response to this Procurement Notice must do so in their individual capacity, even if they expect their employers to sign a contract with UNDP.
- Maximum size per email is **7 MB**.
- Any request for clarification must be sent in writing, or by standard electronic communication to the address or e-mail indicated above. Procurement Unit – UNDP Viet Nam will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.
- After submitting proposal, bidder should send notification by email (without attachment) to: [procurement.vn@undp.org](mailto:procurement.vn@undp.org) informing that the bidder has submitted proposal. UNDP will not

be responsible for the missing of proposal if the bidder does not send notification email to above address.

- Female consultants are encouraged to bid for this required service. Preference will be given to equally technically qualified female consultants.

2. Please find attached the relevant documents:

- [Terms of Reference \(TOR\)](#)..... (Annex I)
- [Individual Contract & General Conditions](#)..... (Annex II)
- [Reimbursable Loan Agreement](#) (for a consultant assigned by a firm)..... (Annex III)
- [Guidelines for CV preparation](#)..... (Annex IV)
- [Format of financial proposal](#)..... (Annex V)

3. Interested individual consultants must submit the following documents/information **(in English, PDF Format)** to demonstrate their qualifications:

**a. Technical component:**

- Signed Curriculum vitae
- Copy of 1-3 publications/writing samples on relevant subject.
- Reference contacts of past 4 clients for whom you have rendered preferably the similar service (including name, title, email, telephone number, address...)

**b. Financial proposal (with your signature):**

- The financial proposal shall specify a total lump sum amount in **Viet Nam Dong** including consultancy fees and all associated costs i.e. airfares, travel cost, meal, accommodation, tax, insurance etc. – see format of financial offer in Annex V.
- Please note that the cost of preparing a proposal and of negotiating a contract, including any related travel, is not reimbursable as a direct cost of the assignment.
- If quoted in other currency, prices shall be converted to the above currency at UN Exchange Rate at the submission deadline.

**4. Evaluation:**

The technical component will be evaluated using the following criteria:

**Team Member**

	Consultant's experience/qualification related to the services	
1	Postgraduate degree (Master's degree) with knowledge in finance and/or relevant fields;	200
2	At least 7 years working experience in fiscal policy tools – taxes and fees	250
3	Demonstrated experience working on topics directly related to collection and utilisation of- e.g. environmental taxes and fees and/or management and utilisation of obtained revenues from environmental funds	300

4	Profound understanding the context of the law, administration, policy, investment and development plan of Viet Nam	150
5	Fluency in English and Vietnamese, particularly the writing and presentation skills	100
<b>Total</b>		<b>1000</b>

A two-stage procedure is utilized in evaluating the submissions, with evaluation of the technical components being completed prior to any price proposals being opened and compared. The price proposal will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 1000 points in the evaluation of the technical component.

The technical component is evaluated on the basis of its responsiveness to the Term of Reference (TOR).

Maximum 1000 points will be given to the lowest offer and the other financial proposals will receive the points inversely proportional to their financial offers. i.e.  $S_f = 1000 \times F_m / F$ , in which  $S_f$  is the financial score,  $F_m$  is the lowest price and  $F$  the price of the submission under consideration.

The weight of technical points is 70% and financial points is 30%.

Submission obtaining the highest weighted points (technical points + financial points) will be selected.

Interview with the candidates may be held if deemed necessary.

## 5. Contract

“Lump-sum” Individual Contract will be applied for freelance consultant (Annex II)

“Lump-sum” RLA will be applied for consultant assigned by firm/institution/organization (Annex III)

Documents required before contract signing:

- Personal History (following UNDP form)
- International consultant whose work involves travel is required to complete the courses on Basic Security in the Field and Advanced Security in the Field and submit certificates to UNDP before contract issuance.

Note: In order to access the courses, please go to the following link: <https://training.dss.un.org>  
The training course takes around 3-4 hours to complete. The certificate is valid for 3 years.

- Full medical examination and Statement of Fitness to work for consultants from and above 62 years of age and involve travel. (This is not a requirement for RLA contracts).
- Release letter in case the selected consultant is government official.

## **6. Payment**

UNDP shall effect payments to the consultant (by bank transfer to the consultant's bank account provided in the vendor form (Annex V) upon acceptance by UNDP of the deliverables specified the TOR.

Payments are based upon output, i.e. upon delivery of the products specified in the TOR. Payment shall be made in three instalments by UNDP as follows:

- First payment of 20% of the contract value will be paid upon submission and acceptance of the inception report and inputs to the inception report by the team leader and team member respectively;
  - The second payment of 40% of the contract value will be paid upon submission and acceptance of the Mid-term report and Inputs to mid-term report including analysis reports of 3 provinces by the team leader and team member respectively;
  - The last payment of 40% will be paid upon submission and approval of all products under the contract.
7. Your proposals are received on the basis that you fully understand and accept these terms and conditions.

## Annex I

### TERMS OF REFERENCE



### TERMS OF REFERENCE

<b>Title:</b>	<b>Assessment of the effectiveness of the collection, management and utilisation of taxes and fees on environment protection and CO2 emission reduction with specific policy recommendations (Activity 2.2.c.9)</b>
<b>Duty station:</b>	Ha Noi with travel to local provinces
<b>Requirement:</b>	02 National Consultant- on environmental fiscal tools: Team Leader - 60 working days <b>Team Member - 55 working days</b>
<b>Duration and timing:</b>	From May 2018 to 30 November 2018
<b>Reporting:</b>	The assignment will be supervised by the UNDP and Deputy National Project Director/MPI.

## 1. GENERAL BACKGROUND

### Green Growth Strategy

In October 2012, the Government of Viet Nam unveiled the “National Strategy on Green Growth for the period 2011- 2020 with vision to 2050” (hereafter referred to as Viet Nam’s Green Growth Strategy or VGGS) with the objective of orienting its development trajectory towards a green economy. The VGGS defines green growth as an important part of sustainable development that ensures rapid, effective, sustainable economic development and significantly contributes to the implementation of Viet Nam’s national strategy on climate change. It establishes the objectives for low carbon green growth and identifies three strategic tasks:

- Reducing greenhouse gas (GHG) emissions: Greening the economy to implement joint efforts on climate change adaptation and mitigation
- Greening production: Restructuring the economy towards in-depth development, reduction of use of natural resources, intensification of eco-industries and environmental services, and renovation of technologies (or the supply aspect of the economy)
- Greening lifestyles and consumption: Establishing green ways of life and sustainable consumption (or the demand aspect of the economy).

Following the official adoption of VGGS in 2012, the Government of Viet Nam issued the Viet Nam National Action Plan on Green Growth (VGGAP) in March 2014 through Prime Minister Decision No. 403/QĐ-TTg. The VGGAP (2014-2020) outlines 66 distinct intervention areas (programs, projects) and related responsibilities among Ministries, Departments and Agencies (both leading and collaborating) for designing and implementing these initiatives. According to the GGAP, these activities are categorized into four key areas: (1) awareness raising; (2) institutional improvement; (3) economic restructuring in sectors, localities and enterprises; (4) innovative technologies.

The Ministry of Planning and Investment (MPI) is assigned as the focal point for green growth, responsible for leading and coordinating with ministries, sectors and Provincial People's Committees (PPC) and centrally managed cities to implement the Green Growth Strategy and Action Plan. Within MPI, the Department of Science, Education, Natural Resources and Environment (DSENRE/MPI) is implementing with UNDP the project "Strengthening Capacity and Institutional Reform for Green Growth and Sustainable Development in Viet Nam" (hereafter the CIGG project) to support MPI's efforts to advance the implementation of the VGGs and VGGAP.

Within the CIGG project, the Ministry of Finance and Ministry of Planning and Investment are considering deployment of additional financial incentives, such as carbon taxes or additional revenues and public investment shift towards energy efficiency and renewable energy, as well as enhancing the management of the existing tools.

### **Use of Environmental Fiscal Tools in Viet Nam**

Annex 1 presents a detailed overview of the evolving system of environmental taxes and fees in Viet Nam.

In 2012, Viet Nam introduced an environmental protection tax law and was perceived as a pioneer in environmental tax reform in Southeast Asia (Green Fiscal Policy Network, 2017). Environmental protection taxes were levied on refined fuels and coal as well as on environmentally harmful substances in the form of consumer unit taxes. At its dawn, environmental taxation contributed to a stable proportion of government budget, of approximately 1.5% on average for the period 2012 – 2014 (GSO, 2012 - 2014). Amongst the taxes levied, fuel taxes stand out as a key instrument. Fuel tax alone generates substantive revenues for the state budget which between 2014-2016 were estimated to have grown by 131% from US\$1.227 billion (See Figure 11). With regard to future trends, the Green Fiscal Policy Network (2017) estimate that the environmental protection tax could significantly increase the Vietnamese government's revenues by about 3.5 %.

In addition to the environmental protection tax, the Government of Viet Nam also introduced separate environmental protection fees on wastewater, solid waste and extractive industries including coal gas, natural gas, crude oil and metallic and non-metallic minerals, and other mined natural resources. However, the revenues collected from these fees have not been sufficient to offset the cost of collection and treatment of wastewater and solid waste and the entire system has been hampered by low compliance

During years 2015-2017, the GICC project has commissioned the following studies to support policy discussions on further development of system of environmental taxes in Viet Nam in order to support the implementation of Viet Nam Green Growth Strategy and Action Plan:

- 2015: Assessment of fiscal policies on climate change against existing CC/GG strategies/policy frameworks, comparable to international best practice (Activity 3.2.1)
- 2015: Assessment of implementation and propose improvement of policies for environmental protection fees for mining exploitation (Activity 2.2.c.1)
- 2015: Assessment of implementation of natural resources tax policy (Activity 2.2.c.2)
- 2015: Assessment of implementation of environment protection tax policy (Activity 2.2.c.3)
- 2016: Financial policies and tools for environmental protection charges for air emission sources contributing to green growth implementation (Activity 2.2.c.4)
- 2016: Assessment of revenues as prescribed by law fees and charges for environmental protection (Activity 2.2.c.6)
- 2017-2018: Study on the design of a national carbon tax coupled with a project-based offset system (Activity 2.2.c.8.)

The assignment described in this TOR will conclude and wrap-up the previous studies listed by undertaking a comprehensive concluding assessment of the effectiveness of the collection, management and utilisation of taxes and fees on environment protection and CO2 emission reduction with specific policy recommendations.

## 2. OBJECTIVES OF THE ASSIGNMENT

The assignment aims to examine the effectiveness of the existing Environmental Fiscal Tools (EFTs).

*It will investigate a representative sample of provinces and localities to provide information on the actual collection and direct utilisation of environmental fiscal revenues for environmental investments and expenditures and will examine the efficiency of the current system of environmental tax/fee revenues sharing by central-, provincial- and local governments. The assignment will also discuss the potential added value of the proposed carbon tax/fee in Viet Nam in this system and will generate specific lessons for utilisation and earmarking of revenues from climate tax/fee for investments and expenditures related to climate change response.*

The assignment will specifically attain the following objectives:

- A. Review the scope, application and effects of the current system of EFTs in Viet Nam
- B. Assess the efficiency of the current system of environmental fiscal revenue collection and utilisation at different levels government.
- C. Analyse the added value of potential carbon taxes/fees in the context of the existing EFTs used in Viet Nam.
- D. Prepare a road-map for improved use of EFTs and possible introduction of carbon pricing within the current system of EFTs in Viet Nam.

The detailed scope of work under each of these specific objectives is described in the following section.

## 3. SCOPE OF WORK

The two national experts (1 team leader and 1 team member) will undertake the following tasks:

- A. Review the scope, application and effects of current system of EFTs in Viet Nam
  - Provide consolidated information on all existing EFTs used in Viet Nam – their nature, status of their current implementation, revenues generated, challenges and gaps in the application. Highlight also potential interdependencies between various EFTs used in Viet Nam.
  - Describe the behavioural responses of enterprises and households to existing EFTs, compare costs of action and inaction and their prevailing indirect effects on private environmental investments (e.g. whether it is more beneficial to pay the fee or to invest into specific investments into pollution reduction). Consider effects of various EFIs on economic and social dimensions of the economy.
  - Outline key strengths and weaknesses of the current ETF system in Viet Nam.
- B. Assess efficiency of the current system of environmental fiscal revenue collection and utilisation at different levels government
  - Investigate – using review of available data, structured interviews and questionnaires - a representative sample of at least five provinces and localities to provide information on the actual collection and direct utilisation of environmental fiscal revenues for environmental investments and expenditures (e.g. environmental infrastructure, pollution remediation, habitat restoration, and climate change mitigation and adaptation efforts, etc.). The selected provinces are tentatively Quang Ninh, Nghe An, Da Nang, Ho Chi Minh City and Long An. The final selected provinces will be further discussed and agreed during the inception phase.
  - For each EFT used in Viet Nam, describe how efficiently are the revenues generated through different EPTs used and how effectively are they disbursed. Discuss whether the existing system generates economies of scale effect of environmental revenues to support tangible environmental improvements.
  - Provide an overview of administrative costs associated with management of each type of environmental fiscal revenue.
  - Using the information obtained from conducted provincial and local surveys, analyse whether current EFTs generate sufficient revenues to cover costs of public environmental investments and

expenditures.

- Examine alternative financing tools for public environmental investments (e.g. PPPs and/or direct financing of universal public goods from public budgets).
- Suggest overall options for improved utilization of environmental fiscal revenues in Viet Nam.

C. Analyze the role, benefits and barriers of potential carbon taxes/fees in the context of the existing EFTs used in Viet Nam

- Discuss the role and benefits of potential carbon taxes/fees in the context of the existing EFTs in Viet Nam.
- Outline key barriers to establishment of carbon taxes/fees.
- Critically re-examine the proposed options for potential carbon taxes/fees in the context of evolving discourse about environmental taxation in Viet Nam and use of market-based mechanisms under the Paris Agreement.
- Compare the expected effects on behavioural responses of enterprises and households to improved use of EFTs and carbon taxes/fees.
- Compare the revenue generating potential of current EFTs with prospective revenues generated through carbon taxes/fees and their potential to directly support public environmental investments.
- Generate specific lessons for utilisation and earmarking of revenues from climate tax/fee for investments and expenditures related to climate change response.
- Determine similar points of view and areas of convergence in these examinations.

D. Propose a road-map for improved use of EFTs and possible introduction of carbon pricing in the context of existing EFTs in Viet Nam

- Assess which environmental fiscal tools appear most effective in terms of their effects on meeting climate change mitigation targets laid out in the Vietnam Green Growth Strategy and Action Plan and NDC. Such assessment should consider broad effects of various EFTs on economic and social dimensions of the economy.
- Outline a short-, mid-, and long-term roadmap for the improvement of existing environmental fiscal tools with aim to address environmental externalities of GHGs and to support the achievement of the green growth targets and climate change mitigation targets in Viet Nam.
- Propose options to increase public awareness for support of environmental fiscal reform.

#### 4. DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

Duration and Timing:

- Team leader: estimated 60 during May – September 2018, including 10 working day missions in Ho Chi Minh City and Long An
- **Team member:** estimated 55 during May – September 2018 including 15 working day missions to Quang Ninh, Nghe An and Da Nang.

Duty station: Hanoi with estimated 5 working-day travel to each province including Quang Ninh, Nghe An, Da Nang, Ho Chi Minh City and Long An.

#### 5. DELIVERABLES

The 2 national experts shall jointly responsible for the whole assignment, in which:

- The team leader will lead the whole assignment, undertake the survey and analysis of 2 provinces (tentatively Ho Chi Minh city and Long An) and provide guidance to the team member in survey and analysis of 3 provinces and responsible for all products
- The team member shall do survey and analysis of 3 provinces and localities (tentatively Quang Ninh, Nghe An, Da Nang) and provide inputs for development of inception report, mid-term reports, final reports and related documents

##### Output 1: Inception report



The consultant team will submit the inception report with the following contents for approval by UNDP, MOF and CIGG project:

- Recap of aims and expected results of the assignment
- Summary of the initial consultations with MOF, other projects studying environmental fiscal tools in Viet Nam and/or promoting establishment of carbon tax/fee and domestic carbon market
- Proposed approach to assignment and methodology and specifically recommendations for the task B described in the Scope of Work (Section 3 of this TOR)
- Source of data to be used (literature review, previous reports and data provided by MOF, provinces and other), contents of proposed surveys (through structured interviews and questionnaires) and stakeholders to be consulted.
- Specific timeline for implementation of this assignment and consultative arrangements proposed (if any) with clear tasks and roles between the two experts.
- Contents and structure of mid-term report.

### **Output 2: Mid-term report**

The consultant team will develop a draft mid-term-report report which will include the following main points:

- Summary of key activities conducted and progress in the assignment.
- Outcomes of the tasks A-C described in the Scope of Work (Section 3 of this TOR)
- Summary of stakeholder consultations conducted under Task D
- Recommendations for the next steps in implementation of this assignment and any open issues for consideration by MPI.
- Annexes with maps and database of records of the identified renewable energy investments.

The draft mid-term report will be submitted for review and approval by MOF, CIGG project and UNDP. The consultant team will finalize the mid-term report based on the comments obtained.

### **Output 3: Consultation Workshop**

The consultant team will participate in and co-lead a consultation workshop with Ministry of Finance, Ministry of Planning and Investment, Ministry of Natural Resources and Environment, Ministry of Industry and Trade, Ministry of Construction, Ministry of Agriculture and Rural Development and other relevant stakeholders to present and seek stakeholder feedback on the mid-term report, and in particular on the proposed ideas for the revised legal framework. The consultant will co-deliver presentation that summarizes the main contents of the draft report.

In connection with the consultation workshop, the consultant will conduct bilateral consultations with key stakeholders as appropriate.

At the conclusion, the consultant will prepare minutes describing the issues raised and suggestions received from workshop participants and stakeholders met.

### **Output 4: Final Report**

The consultant team will develop a draft final report which will include the following main points:

- Executive Summary presenting key findings and recommendations of this assignment
- Summary of key findings from stakeholder consultations.
- Final outcomes of the tasks A-D described in the Scope of Work
- Recommendations for implementation of recommendations of this assignment by MOF.

The draft final report will be submitted for review and approval by MOF, CIGG project and UNDP. The consultant team will finalize the final report based on the comments obtained.

#### **Output 5: Submission of relevant documents**

The consultants will need to submit the Powerpoint presentations at the consultation workshop (electronic files), reports as well as related documents including minutes of meetings, photos taken during the survey, completed questionnaires, documents shared by the interviewees, etc UNDP and PMU for reference and use.

**All outputs are required in English and Vietnamese.** The consultant will be responsible for quality assurance for all outputs of the consultancy service.

### **SCHEDULE OF OUTPUTS**

<b>S/N</b>	<b>Outputs by team leader</b>	<b>Outputs by team member</b>	<b>Expected due date</b>
1	Inception report	Inputs to the inception report	2 months after signing the contract
2	Mid-term report	Inputs to mid-term report including analysis reports of 3 provinces	4 months after signing the contract
3	Inputs for and minutes of consultation workshop	Inputs for consultation workshop	5 months after signing the contract
4	Final report and relevant documents	Relevant documents and inputs to the final products	2 months after signing the contract

### **6. SUPERVISION AND TECHNICAL OVERSIGHT**

The expert will work under the overall guidance and monitoring by the Senior Technical Specialist, MOF and CIGG project. The deliverables shall be submitted to UNDP, MOF and CIGG project for review and approval.

In addition to collaboration with stakeholders, the consultant team will also routinely report to the UNDP, MOF and CIGG project on progress through bi-monthly meetings. The consultant will provide concise information about implemented activities and adjustments to the workplan.

### **7. REQUIREMENTS FOR QUALIFICATIONS AND WORK EXPERIENCE**

The selected consultants should meet the below requirements.

#### **Team leader**

- Postgraduate degree (Master's degree) with knowledge in finance, environmental management, and/or relevant fields; PhD desirable
- At least 10 years working experience in fiscal environmental policy tools
- Demonstrated experience working on topics directly related to collection and utilisation of- e.g. environmental taxes and fees and/or management and utilisation of obtained revenues from environmental funds;
- Profound understanding the context of the law, administration, policy, investment and development plan of Viet Nam;
- Experience in leading technical assignment for development project is an advantage
- Writing skills, analytical, communication and executive meetings / workshops good;
- Fluency in English and Vietnamese, particularly the writing and presentation skills.

### Team member

- Postgraduate degree (Master's degree) with knowledge in finance and/or relevant fields;
- At least 7 years working experience in fiscal policy tools – taxes and fees
- Demonstrated experience working on topics directly related to collection and utilisation of- e.g. environmental taxes and fees and/or management and utilisation of obtained revenues from environmental funds
- Profound understanding the context of the law, administration, policy, investment and development plan of Viet Nam;
- Writing skills, analytical, communication and executive meetings / workshops good;
- Fluency in English and Vietnamese, particularly the writing and presentation skills.

## 8. ADMINISTRATIVE SUPPORT AND REFERENCE DOCUMENTS

Administrative support will be provided by CIGG project and MOF in getting access to the selected provinces. Copies of relevant documents and reports will be made available to the consultant upon commencement of the assignment.

**MPI DSENRE** as a project owner will provide following support:

- Jointly with MOF lead the working process with relevant ministries, sectors and localities (if any)
- Coordinate with other programs and projects to maximize results, including training, visitation and exchange of experience.
- Prepare the content, send and receive official letters for the consultants to work or conduct interviews with stakeholders;
- Arrange meetings with stakeholders if necessary.

## 9. PAYMENT TERM

Payments are based upon output, i.e. upon delivery of the products specified in the TOR. Payment shall be made in three instalments by UNDP as follows:

- First payment of 20% of the contract value will be paid upon submission and acceptance of the inception report and inputs to the inception report by the team leader and team member respectively;
- The second payment of 40% of the contract value will be paid upon submission and acceptance of the Mid-term report and Inputs to mid-term report including analysis reports of 3 provinces by the team leader and team member respectively;
- The last payment of 40% will be paid upon submission and approval of all products under the contract.

## 10. CONSULTANT PRESENCE REQUIRED ON DUTY STATION/UNDP PREMISES

☐ NONE      ☐ PARTIAL      ☒ INTERMITTENT      ☐ FULL-TIME

### EVALUATION CRITERIA WITH ASSIGNED SCORES

(The additional interview either direct or through telephone/Skype will be applied if necessary)

#### Team member

	Consultant's experience/qualification related to the services	
1	Postgraduate degree (Master's degree) with knowledge in finance and/or relevant fields;	200
2	At least 7 years working experience in fiscal policy tools – taxes and fees	250
3	Demonstrated experience working on topics directly related to collection and utilisation of- e.g. environmental taxes and fees and/or management and utilisation of obtained revenues from environmental funds	300
4	Profound understanding the context of the law, administration, policy, investment and development plan of Viet Nam	150
5	Fluency in English and Vietnamese, particularly the writing and presentation skills	100
<b>Total</b>		<b>1000</b>

## Annex I: Current system of environmental taxes and fees in Viet Nam

The tax system of Viet Nam has undergone crucial reforms since the renovation policy (Đổi Mới) commenced since 1986. Tax policy and tax reform has become aligned with international rules and practices, and at the same time tax collection and administration processes have been improved.

Taxes can be classified according to different criteria. Based on the objects of taxation, there are taxes on income, taxes on consumption and taxes on properties. When considering the purpose of regulation, there are two basic types of taxes: direct taxes and indirect taxes. If the level of decentralization of tax revenue management is taken into account, taxes can be classified as central taxes (the entire tax revenue is allocated to the State budget), local taxes (100% of tax revenue is allocated to the local budget) and distributed taxes (with a certain percentage of revenues allocated to different levels of budget). The following table provides the current major taxes in Viet Nam based on objects of taxation, their description (including contents for the purpose of regulation) as well as information on the revenue allocation.

Table 1: Major taxes in Viet Nam

No	Tax	Description	Tax revenue allocation <sup>1</sup>
<b>Income tax</b>			
1	Enterprise income tax (EIT)	Direct tax levied on the profits earned by companies or organizations. Income generated within Viet Nam is subject to EIT.	Allocation to both State budget and local government budget
2	Personal income tax	Direct tax applied to individuals earning income	Allocation to both State budget and local government budget
<b>Consumption tax</b>			
3	Import-export tax	Direct tax applied to goods imported or exported through Viet Nam's borders	Full allocation to central government budget
4	Special Consumption Tax	Indirect tax that applies to the production or importation of specific goods and the provision of certain services	Revenues from imported goods are allocated to State budget; other revenues are allocated to local government budget
5	Value added tax (VAT)	Indirect tax the cost of which ultimately falls on the consumer. Broadly, VAT is levied on the value added at each stage of the production and distribution supply chain	Allocation to both State budget and local government budget
6	Environmental protection tax	Indirect tax levied on products and goods when causing adverse impacts on the environment. This tax generates revenues for the state budget from polluters to offset social costs	Revenues from imported goods are allocated to State budget; other revenues are allocated to local government budget
<b>Property tax</b>			
7	Natural resource tax	Direct tax calculated on the use of natural resources. The taxable items are: metallic minerals, coal, peat, oil and gas, natural gas, natural resources and natural resources such as natural materials.	Revenues from petroleum exploitation are allocated to State budget; other revenues are allocated to local government budget
8	Agricultural land use tax	Annual tax levied on agricultural land users or households who are granted agricultural land use rights for cultivation or afforestation or use water surface for aquaculture	Allocation to local government budget

<sup>1</sup> Decree no. 163/2016/ND-CP dated December 21, 2016, on guidelines for the law on state budget

No	Tax	Description	Tax revenue allocation <sup>1</sup>
9	Non-agricultural land use levies	Non-agricultural land use levies are taxes levied on the use of land for production, business and non-agricultural purposes	Allocation fully to local government budget

Source: CIGG, 2017

Environment- related taxes, fees and charges are further considered in the following sections.

**B.**

**C. Natural Resources Tax**

The natural resources tax is payable by industries exploiting Viet Nam's natural resources such as petroleum, minerals, forest products, seafood and natural water. The tax rates vary depending on the natural resources being exploited and are applied to the production output at a specified taxable value per unit. Various methods are available for the calculation of the taxable value of the resources, including cases where the commercial value of the resources cannot be determined.

From 2011-2014, the revenue from Natural Resources Tax contributed with a relatively stable source of income to the State budget, with the average annual amount of more than 39 trillion VND accounting for 4.9% of total income to the budget. The table below provides the revenue from Natural Resources Tax from 2011-2014.

Table 2: Revenue from Natural Resources Tax, 2011-2014. Billion VND

No.	Item	Year 2011	Year 2012	Year 2013	Year 2014	Average 2011-2014
I	Total revenue to the State budget	721,804	754,572	828,348	863,520	792,061
II	Total revenue from the Natural Resource Tax	39,299	41,312	37,875	38,048	39,134
1	Revenue from petroleum and natural gas, coal gas	32,910	34,126	29,800	27,256	31,023
2	Revenue from other resources	6,389	7,186	8,075	10,792	6,788
III	Ratio of revenue from Natural Resource Tax/ Total revenue to the State budget	5.4%	5.5%	4.6%	4.4%	4.9%

Source: Hang, 2015

**100% of the revenue from Natural Resources Tax (except for petroleum) is allocated to local governments budget.** This tax therefore constitutes a stable source of revenue also at local level, which can be invested in restoration of the environment in the areas where the natural resources are exploited and also to ensure social benefits reducing the negative impacts of natural resources exploitation on local communities. However, currently in most localities in Viet Nam, the revenue from Natural Resources Tax is distributed together with other sources of revenue to the local budget and thus is cannot be earmarked specifically for restoration of the environment where the natural resources are exploited.

**D.**

**E. Environmental Protection Tax**

The Law on Environment Protection Tax (N°57/2010/QH12) was approved by the National Assembly of Viet Nam, 12<sup>th</sup> Legislature, 8<sup>th</sup> Session, November 15, 2010 and became effective from January 1<sup>st</sup>, 2012. Environmental protection tax is an indirect tax, collected on products and goods that, when used, are deemed to cause negative environmental impacts. The law stipulates the environmental protection tariffs with absolute minimum tariffs and absolute maximum tariffs. Absolute minimum rates and absolute maximum rates are to be established on the basis of the degree of adverse impact on

the environment or the cost to handle the negative consequences resulted from the use /consumption of the selected goods. The environmental protection tax is applicable to the production and import of certain goods deemed detrimental to the environment, especially petroleum and coal. Export products are exempted from this tax. The rates applied to different goods are presented in Table 3.

Table 3: Environmental protection tax rates

No	Goods	Calculation unit	Tax rate (VND)	Tax rate (USD)
<b>I</b>	<b>Gasoline, oil, grease</b>			
1	Gasoline, except ethanol	Liter	1000-4000	0.04 - 0.18
2	Aircraft fuel	Liter	1000-3000	0.04 - 0.13
3	Diesel oil	Liter	500-2000	0.02 – 0.09
4	Petroleum	Liter	300-2000	0.013 - 0.09
5	Fuel oil	Liter	300-2000	0.013 - 0.09
6	Lubricants	Liter	300-2000	0.013 - 0.09
7	Grease	Kg	300-2000	0.013 - 0.09
<b>II</b>	<b>Coal</b>			
1	Lignite	Ton	10,000-30,000	0.44 - 1.32
2	Anthracite Coal (Anthracite)	Ton	20,000-50,000	0.88 - 2.20
3	Fat coal	Ton	10,000-30,000	0.44 - 1.32
4	Other coal	Ton	10,000-30,000	0.44 - 1.32
<b>III</b>	<b>HCFC</b>	Ton	1,000-5,000	0.04 - 0.22
<b>IV</b>	<b>Taxable-plastic bag</b>	Ton	30,000-50,000	1.32 - 2.20
<b>V</b>	<b>Herbicide which is restricted from use</b>	Ton	500-2000	0.022 - 0.08
<b>VI</b>	<b>Pesticide</b>	Ton	1000-3000	0.04 – 0.13
<b>VII</b>	<b>Forest product preservative which is restricted from use</b>	Kg	1000-3000	0.04 – 0.13
<b>VIII</b>	<b>Warehouse disinfectant which is restricted from use</b>	Kg	1000-3000	0.04 – 0.13

Source: National Assembly of Viet Nam (2010)

It is stated by the Government of Viet Nam (2017) that the imposition of the Environmental Protection Tax on several environmentally harmful products is contributing to Viet Nam's commitments towards the international community regarding climate change. Moreover, introduction of Hydrochlorofluorocarbon (HCFCs) as the object of Environmental Protection Tax also contributes to the achievement Viet Nam's commitment of complete phase-out of HCFCs by 2030 under the Montreal Protocol on Ozone-Depleting Substances.

The status of collected environmental protection tax revenue against Gross Domestic Product (GDP) and state budget revenue in the period 2012 – 2016 is summarised in the following table.

Table 4: The status of collection of the environmental protection tax in the period of 2012-2016 (billion VND)

Item	Indicator	2012	2013	2014	2015	2016
1	GDP at current prices	3,245,419	3,584,262	3,937,856	4,192,862	4,530,398
2	Total state budget revenue	754,572	828,348	877,697	997,785	1,039,000
3	Gross domestic tax revenue	422,870	513,090	537,997	740,062	829,000
4	Total collected environmental protection tax	11,160	11,512	11,970	27,020	44,323

Item	Indicator	2012	2013	2014	2015	2016
5	Revenue from environmental protection tax compared to GDP (%)	0.34	0.32	0.30	0.64	0.98
6	Revenue from environmental protection tax against total state budget revenue (%)	1.48	1.39	1.36	2.71	4.27
7	Revenue from environmental protection tax against total tax revenue (%)	2.64	2.24	2.22	3.65	5.35

Source: GoV, 2017

The value of collected environmental protection tax revenue detailing by commodity groups in the period 2012-2016 is presented in the following table.

Table 5: Environmental protection tax revenue detailing by commodity groups, 2012-2016 (billion VND)

Item	Targets	2012	2013	2014	2015	2016
	Total collected environmental protection tax	11,160	11,512	11,970	27,020	44,323
1	Domestic production	11,160	11,036	8,059	14,260	22,798
1.1	Gasoline	5,899	6,210	4,410	7,977	11,702
1.2	Diesel oil	3,656	3,525	2,421	4,485	8,454
1.3	Fuel	26	45	11	22	13
1.4	Fuel oil, grease,	226	210	186	309	863
1.5	Coal	516	581	577	794	766
1.6	Hydrochlorofluoro-carbons	9	0	21	0	0
1.7	Plastic bags	827	168	71	69	56
1.8	Herbicide	0	0	0	0	2
1.9	Flying fuel	0	296	362	603	942
2	Group of imported goods	0	477	3,911	12,759	21,258
2.1	Gasoline	0	274	2,098	6,599	10,279
2.2	Flying fuel	0	20	235	1,084	2,133
2.3	Diesel oil	0	180	1,522	4,800	8,273
2.4	Fuel	0	0	3	4	6
2.5	Fuel oil, grease	0	2	53	272	567
3	Other commodities produced domestically and imported	0	0	0	0	267

Source: GoV, 2017

Regarding revenue distribution, 100% of the revenue from Environmental Protection Tax from crude oil, natural gas and coal gas import will be allocated to the national budget. Revenues of the Environmental Protection Tax from other sources are allocated between the central budget and the local budget.

There is no specific provision on the use of the revenue for specific expenditure purposes but only for general ones in accordance with the Law on State Budget, which is approved by the National Assembly annually.



It is however worth mentioning that total revenue from Environmental Protection Tax from 2012-2016 is 105,985 billion VND while total expenditure from the State Budget for environmental protection for 2012-2016 reached about 131,857 billion VND of which about 89,131 billion VND is allocated to expenditure for environmental protection.

In 2017, the MoF has proposed to increase the tax rates as part of the draft Law on Environmental Protection Tax, which was submitted to the National Assembly for revision in October 2017 but not yet adopted. In the revision, the tax rates are increased for some goods and the list of items that are subjected to the tax is extended to cover more goods. The environmental protection tax on petrol would be raised from the current VND 1000-4000 to VND 3000-8000 per litre. For kerosene, the proposed tax is VND 2000 from VND 3000. There have been concerns on the potential impacts of this tax increase; so a comprehensive evaluation on the impact of a hike in environmental protection tax given the effect on many economic sectors (National Assembly, 2017a).

#### F.

#### G. Environmental protection fees

According to the Law on Charges and Fees (Law No. 97/2015/QH13) dated 25 November 2015, the fees related to environmental protection include:

- Environmental protection fee for waste-water (further detailed under Decree No. 154/2016/ND-CP dated 16 November 2016);
- Environmental protection fee for exploitation of minerals (further detailed under Decree No. 164/2016/ND-CP dated 26 November 2016);
- Environmental protection fee for emissions. There is not yet detailed guidance on the procedures, modality for registration and stock taking of industrial emissions as well as for the allocation of Industrial Waste Air Emission permit;
- Fee for appraisal of environmental impact assessment report, detailed environmental protection plan;
- Fee for appraisal of environmental restoration, renovation plan and additional environmental restoration, renovation plan.
- There is no environmental charge provided in the Law.

*Environmental protection fee for waste-water:* The environmental protection fee for waste water, as provided in Decree No. 154/2016/ND-CP (GoV, 2016a) is calculated based on the fixed fee of 1.5 million VND/year plus the variable fee defined by the volume of fresh water used (m<sup>3</sup>) multiplying with the price of fresh water (VND/m<sup>3</sup>) and the fee level for each pollution parameter. The fee level for each pollution parameter is presented below (enterprises having total waste volume below 20m<sup>3</sup>/day are not subject to variable fee):

Table 6: Environmental protection fee level for waste water

No.	Pollution parameters for fee calculation	Fee (VND)	Fee (USD)
1	Chemical Oxygen Demand (COD)	2000	0.88
2	Total suspended solids (TSS)	2400	0.11
3	Mercury (Hg)	20,000,000	881.05
4	Lead (Pb)	1,000,000	440.53
5	Arsenic (As)	2,000,000	88.11
6	Cadmium (Cd)	2,000,000	88.11

Source: GoV, 2016a

The Department of Natural Resources and Environment is in charge of collecting the environmental protection fee for industrial waste water while the fresh water providers are in charge of collecting the environmental protection fee for daily waste water. The revenue distribution is provided in below table:

Table 7: Distribution of revenue from environmental protection fee for waste water

	Daily waste water	Industrial waste water
Fresh water provider	<10%	25%
People's Committee of commune, ward, town	<25%	-
State Budget at provincial level	<65	75%

Source: GoV, 2016a

*Environmental protection fee for exploitation of minerals* : The range of environmental protection fee for exploitation of minerals, as provided in Decree No. 164/2016/ND-CP (Government, 2016b) is presented in Table 8 below. The fee range is defined based on the value of the exploited minerals, not yet taking into account the cost required for remedy for the pollution resulted from mineral exploitation. The specific fee for each locality will be decided by the provincial People's Council of each province to be suitable with the socio-economic development conditions of each locality.

Table 8: Frame for environmental protection fee for exploitation of minerals

No.	Type of minerals	Unit	Fee (VND)	Fee (USD)
I	METALLIC ORES			
7	Iron ore	Ton	40,000- 60,000	1.76-2.64
8	Manganese ore	Ton	30,000- 50,000	1.32- 2.20
9	Titanium ore	Ton	50,000- 70,000	2.20- 3.08
10	Gold ore	Ton	180,000- 270,000	7.90- 11.90
11	Rare earth ore	Ton	40,000- 60,000	1.76-2.64
12	Platinum ore	Ton	180,000- 270,000	7.90- 11.90
13	Silver ore, tin ore	Ton	180,000- 270,000	7.90- 11.90
14	Wolfram ore, antimony ore	Ton	30,000- 50,000	1.32- 2.20
15	Lead ore, zinc ore	Ton	180,000- 270,000	9.0- 13.5
16	Aluminum ore, bauxite ore	Ton	10,000- 30,000	0.44- 1.32
17	Copper ore, nickel ore	Ton	35,000- 60,000	1.54- 2.64
18	Chromite ore	Ton	40,000- 60,000	1.76-2.64
19	Cobalt ore, molybdenum ore, mercury ore, magnesium ore and vanadium ore	Ton	180,000- 270,000	7.90- 11.90
20	Other metal ores	Ton	20,000- 30,000	0.88- 1.32
II	NON-METALLIC ORES			
1	Stone slabs, fine arts stone (granite, gabbro, marble, basalt)	m <sup>3</sup>	50,000- 70,000	2.20- 3.08
2	Block stones	m <sup>3</sup>	60,000- 90,000	2.64- 3.96
3	Precious stone ores: diamond, ruby, sapphire, emerald, alexandrite, precious black opal, agate, rhodonite, pyrope, beryl, spinel, topaz, violet, yellow and orange crystal quartz, chrysolite, precious white and scarlet opal, turquoise, nephrite	Ton	50,000- 70,000	2.20- 3.08
4	Gravel, pebble, grit	m <sup>3</sup>	4000- 6000	0.18-0.26
5	Stones for use as normal building materials	m <sup>3</sup>	1000- 5000	0.04- 0.22
6	Limestone and argillite for cement production and other stones for production of cement additives (laterite, pozzolana), industrial minerals (barite, flourite, bentonite and others)	Ton	1000- 3000	0.04-0.13
7	Yellow sand	m <sup>3</sup>	3000- 5000	0.13- 0.22
8	White sand	m <sup>3</sup>	5000- 7000	0.22- 0.31
9	Sand of other types	m <sup>3</sup>	2000- 4000	0.09- 0.18
10	Soil extracted for leveling and construction of works	m <sup>3</sup>	1000- 2000	0.04- 0.09
11	Clay for production of bricks and tiles	m <sup>3</sup>	1500- 2000	0.07- 0.09
12	Soil type for making gypsum	m <sup>3</sup>	2000- 3000	0.09 - 0.13
13	Kaolin, feldspar	m <sup>3</sup>	5000- 7000	0.22- 0.31
14	Other soil types	m <sup>3</sup>	1000- 2000	0.04- 0.08
15	Fire clay	Ton	20,000- 30,000	0.88- 1.32
16	Dolomite, quartzite, talc, diatomite	Ton	20,000- 30,000	0.88- 1.32

No.	Type of minerals	Unit	Fee (VND)	Fee (USD)
17	Mica, technical quartz	Ton	20,000- 30,000	0.88- 1.32
18	Pyrite, phosphorite	Ton	20,000- 30,000	0.88- 1.32
19	Natural mineral water	m <sup>3</sup>	2000- 3000	0.09- 0.13
20	Apatite, serpentine, graphite, sericite	Ton	3000- 5000	0.13-0.22
21	Coal of all types	Ton	6000- 10,000	0.26-0.44
22	Other non-metallic minerals	Ton	20,000- 30,000	0.88- 1.32

Source: GoV, 2016b

Regarding revenue distribution, 100% of the revenue from Environmental Protection Fee from exploitation of crude oil, natural gas and coal gas will be allocated to the national budget. Revenues of the Environmental Protection Fee from exploitation of other minerals is fully allocated to the local budget. In the local budget, revenue from the fee collection is merged with other sources but not earmarked for environmental protection services, in fact, this revenue is also used for other purposes as building schools, medical establishment, etc. The revenue from collection of environmental protection fee from mineral exploitation in some localities is provided in below Table.

Table 9: Revenue from collection of environmental protection fee from mineral exploitation in some provinces (2013)

No.	Province	Revenue from collection of environmental protection fee (billion VND)	Total revenue (billion VND)	Share of revenue from environmental protection fee in total revenue (%)
1	Yen Bai	38.7	884	4.4%
2	Ninh Thuan	6	1,203	0.5%
3	Phu Yen	5.2	1,402	0.4%
4	Cao Bang	51.4	832	6.2%
5	Tuyen Quang	26.9	970	2.8%
6	Vinh Phuc	10.3	15,883	0.1%
7	Ha Noi	4.8	161,475	0.0%
8	Ben Tre	2.9	1,460	0.2%
9	Hung Yen	1.6	5,422	0.0%
10	Bac Giang	10.5	2,180	0.5%
11	Bac Ninh	0.16	10,897	0.0%
12	Lang Son	14.5	3,268	0.4%
13	Quang Ning	415	33,590	1.2%

Source: CIGG, 2015 & MOF, 2013

## **Annex IV**

### **GUIDELINES FOR PREPARING CV**

WE REQUEST THAT YOU USE THE FOLLOWING CHECKLIST WHEN PREPARING YOUR CV:

Limit the CV to 3 or 4 pages

NAME (First, Middle Initial, Family Name)

Address:

City, Region/State, Province, Postal Code

Country:

Telephone, Facsimile and other numbers

Internet Address:

Sex, Date of Birth, Nationality, Other Citizenship, Marital Status

Company associated with (if applicable, include company name, contact person and phone number)

#### **SUMMARY OF EXPERTISE**

Field(s) of expertise (be as specific as possible)

Particular development competencies-thematic (e.g. Women in Development, NGOs, Privatization, Sustainable Development) or technical (e.g. project design/evaluation)

Credentials/education/training, relevant to the expertise

#### **LANGUAGES**

Mother Tongue:

Indicate written and verbal proficiency of your English:

#### **SUMMARY OF RELEVANT WORK EXPERIENCE**

Provide an overview of work history in reverse chronological order. Provide dates, your function/title, the area of work and the major accomplishments include honorarium/salary. References (name and contact email address) must be provided for each assignment undertaken by the consultant that UNDP may contact.

#### **UN SYSTEM EXPERIENCE**

If applicable, provide details of work done for the UN System including WB. Provide names and email address of UN staff who were your main contacts. Include honorarium/salary.

#### **UNIVERSITY DEGREES**

List the degree(s) and major area of study. Indicate the date (in reverse chronological order) and the name of the institution where the degree was obtained.

#### **PUBLICATIONS**

Provide total number of Publications and list the titles of 5 major publications (if any)

#### **MISCELLANEOUS**

Indicate the minimum and maximum time you would be available for consultancies and any other factors, including impediments or restrictions that should be taken into account in connection with your work with this assignment.

Please ensure the following statement is included in the resume and that it is signed and dated:

I CERTIFY THAT ALL INFORMATION STATED IN THIS RESUME IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. I AUTHORIZE UNDP/UNOPS OR ITS AGENT TO VERIFY THE INFORMATION PROVIDED IN THIS RESUME.

(Signature)

## Annex V

### FINANCIAL OFFER

Having examined the Solicitation Documents, I, the undersigned, offer to provide all the services in the TOR for the sum of VND .....

This is a lump sum offer covering all associated costs for the required service (fee, meal, accommodation, travel, taxes etc).

#### Cost breakdown:

No.	Description	Quantity	Unit rate (VND)	Total
1	Consultancy fee			
2	Out of pocket expenses			
2.1	Travel			
2.2	Per diem			
2.3	Full medical examination and Statement of Fitness to work for consultants from and above 62 years of age and involve travel – (required before issuing contract). *			
2.5	Others (pls. specify).....			
	<b>TOTAL</b>			

*\* Individual Consultants/Contractors who are over 62 years of age with assignments that require travel and are required, at their own cost, to undergo a full medical examination including x-rays and obtaining medical clearance from **an UN-approved doctor** prior to taking up their assignment.*

I undertake, if my proposal is accepted, to commence and complete delivery of all services specified in the contract within the time frame stipulated.

I agree to abide by this proposal for a period of 120 days from the submission deadline of the proposals.

Dated this day /month                      of year

Signature