

**MINISTRY OF
CONSTRUCTION**

**THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness**

No: /BXD-QLN

Hà Nội, Mar 2018

Subject: Guidelines on the implementation of Project's Component 1 funded by Green Climate Fund (GCF): Supports provided for the construction of storm and flood resilient houses under the scope of the Project sponsored by the GCF.

To: The Provincial People's Committees of Thanh Hóa, Quảng Bình, Thừa Thiên - Huế, Quảng Nam, and Quảng Ngãi Province.

On the 13th of July 2017, the Prime Minister issued the Decision No. 1029/QĐ-TTg to approve the investment intention on the Project "Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam" granted by GCF through the United Nations Development Program (UNDP) in Vietnam. In this decision, the Ministry of Construction, and the Provincial People's Committees of five provinces (Thanh Hóa, Quảng Bình, Thừa Thiên - Huế, Quảng Nam và Quảng Ngãi) are assigned to be responsible for the implementation of the Component 1 – Support provided for the construction of storm and flood resilient houses (herein after referred as Component -1).

Pursuant to the Decision No. 1029/QĐ-TTg, on the 7th of September 2017, the Ministry of Agriculture and Rural Development of Vietnam issued the Decision No. 3637/QĐ-BNN-HTQT on the investment of project "Improving resilience of vulnerable coastal communities to climate change related impacts in Vietnam". Following this, on 27th November 2017, the Ministry of Construction issued the Decision No. 1220/QĐ-BXD on the approval of the Project Component 1's Document. Upon UNDP's acceptance letter dated2018 for the implementation of the Project-Component-1, the Ministry of Construction issued the guidance as follow:

I. Eligible applicants

1. The eligible applicants of the Component 1 are households (i) listed in the Assistance Schemes for poor households to construct flood and storm-resilient

houses which are approved by the Provincial People's Committees of (including the applicants in any revisions or additions of the schemes) in accordance with the Decision No. 48/2014/QĐ-TTg dated 28 August 2014 of the Prime Minister on supporting poor households in the Central Region of Vietnam to build flood and storm-resilient houses off the high risk sites of disasters¹ with community participation under the disaster risk assessment process under the scheme 1002 in five provinces: Thanh Hoa, Quang Binh, Thua Thien-Hue, Quang Nam, and Quang Ngai (herein after called Decision No. 48/2014/QĐ-TTg) have not yet started construction process by the time they register in the application letter for assistance for t under the scope of the Component 1. Approved households are those eligible for assistance under the Decision 48/2014/QĐ-TTg and must meet flood and storm resilience requirements of the GCF donor as indicated in section III of this guideline.

2. The number of households eligible to receive supports from the Component 1 is 4,000 households. As stipulated in Paragraph 1 of this Section, the Provincial Project Management Unit (herein after referred as PPMU), will draw list(s) of eligible households and submit it to the respective Provincial' People's Committees for approval. Upon receipt of this approval, PPMU must send official document enclosed with the list(s) of eligible households (with detail address for each household) under the scope of Component 1 to Commune People's Committee, District People's Committee for implementation; at the same time send to the PMU of Component 1 and for review, inspect, compile and ensure technical quality of the project..

II. The process of construction application and certification of completed housing construction.

1. Households, which are named in the certified list for supporting under the scope of the Component 1, must fill in the application form stipulated in Appendix 1 issued together with this guideline and submit to the Commune People's Committee where the house is supposed to be built.

2. The Commune People's Committee is responsible for the review of the application form. If the household is shown in the list approved by Provincial People's Committee, the Committee must receive the submitted application following the template provided.

¹ Landslide, displacement and sea-level rise

Within a maximum time limit of 07 days, starting from the day the application form of the households is received, the Commune People's Committee must inform in writing the list of the qualified households to (i) the PPMU to request for budget approval and (ii) the People's Committee at district level for following up and management. The information letter must have the following detail: (i) The number of households have submitted application form; (ii) Full name of the head of the household; (iii) the address of the house applied for support; (iv) the number of households propose to self-build their houses; and (v) the number of households propose to ask for organization(s) to support in building their houses.

3. Within the maximum time span of 30 days, start from the day the application form is submitted, the household must start the initiation of the building process in accordance with the registered design option in the application form. If the initiation of the building process is delayed by force majeure reasons, or by natural disasters, the household has to notify the Commune People's Committee the specific date in which the building process can be started. The Commune People's Committee is responsible for reporting to PPMU of these cases.

The household has to inform the Commune People's Committee maximum 07 days in advance before the initiation of the building process for the purposes of monitoring and inspection. The Commune People's Committee is responsible for coordination with the Fatherland Front Committee and Women's Unions at commune level for monitoring and inspection of the households' building process to ensure the house is built in accordance with (i) the registered design features, and (ii) the technical standards for housings as specified in this guideline.

4. After the completion of the foundation of the house, the household must inform the Commune People's Committee to (i) organize inspection mission(s), and (ii) issue a certificate of completed foundation using the template stipulated in Appendix 2 of this guideline..

5. Within a maximum time limit of 05 days since the day the household(s) inform about the completion of the housing's foundation, the Commune People's Committee is responsible for organizing an inspection mission and issue the foundation's completion certification using the template provided.

6. Within a maximum time limit of 07 days since the day the certificate of completed foundation is issued and signed, the Commune People's Committee

must notify in writing attached with the minutes for the confirmation of completion of the foundation to PPMU for their arrangement of procedural documents for the disbursement of 50% of the GCF supported amount for the household in accordance with the regulations specified in section IV of this guideline.

7. After the completion of the house building process, the household must inform the Commune People's Committee to (i) organize inspection mission(s), and (ii) issue a house building completion certification using the template stipulated in Appendix 3 of this guideline.

8. Within a maximum time limit of 05 working days since the day the household inform about the completion of the house building process, the Commune People's Committee is responsible to organize an inspection mission and issue the completion certification of house construction using the template provided.

9. Within a maximum time limit of 07 working days since the day this certificate is issued and signed, the Commune People's Committee must notify in writing (attach with the certificate issued) to PPMU for the disbursement of 50% of the remaining GCF supported amount for the household in accordance with the regulations specified in section IV of this guideline.

10. The built house(s) which is/are not in conformity with (i) the registered design option specified in the application form, and (ii) the technical standards specified in this guideline will not be refunded from the UNDP supported budget (except for the households having Appendix 1 of proposal for the adjustment of housing's building area were submitted)

III. Criteria and the dossier for confirmation of house building completion.

1. In addition to the building construction technical standards stipulated in (i) the Decision No. 48/2014/QĐ-TTg, and (ii) Circular No. 16/2014/TT-BXD dated 23 October 2014 by the Ministry of Construction on the guidance for implementation of the Decision No. 48/2014 (herein after called Circular No. 16/2014/TT-BXD), the construction of housing by the households under the scope of the Component 1 must meet the requirements as follow:

1.1 Criteria for households eligible to receive funding from GCF for construction of flood and storm resilient houses:

a) Satisfying one of the following criteria such as poor households, woman-headed households, households of ethnic minorities, disabled, old and single.;

b) Satisfying social counseling conditions: Husband and wife are consulted and agreed on the design of the house construction process;

c) Priority is given to coastal and nearly coastal communes

1.2 Technical criteria:

a) Meeting house construction criteria under Decision No. 48/2014 / QD-TTg;

b) Having roof made from tiles or aluminum slates must be strengthened with bars and joints. .

c) Having mezzanine built with steel and concrete or timber;

d) Having doors and windows reinforced for flood resilience.

đ) Improving the drainage system around the house and strengthening the position of columns and footings.

e) Other flood and storm resilient technical reinforcements;

g) Ensuring the reuse of construction materials (if applicable) and having a place for construction waste collection;

h) Ensuring labour safety during construction process;

i) Prioritizing environmentally and friendly solutions and suitability with local culture.1.3 Criteria on supervision of construction process

a) Having the Commune Fatherland Front Committee and Commune Women's Union participated in the supervision process to ensure that houses are built in accordance with the approved designs.

b) Having updated information of construction progress, pros and cons during construction process by households upon request of PPMU's supervisors.

1.4 Democratic, open and transparent criteria:

a) House designs must be public announced for households to select

b) Selected households should attend in training to raise awareness on disaster risk reduction and adaptation to climate change;

c) Commune Fatherland Front Committee and Commune Women's Union support the mobilization of community participation and supervise, solve problems related to procedures, provide support for collecting feedback and solve other problems.

2. Based on the actual conditions of each household and the location of the house, the household may adjust the actual building area in the standard design option specified in their application form. However, the total building area must not be smaller than the standard building area stipulated in the Decision No. 48/2014/QĐ-TTg; and the building must meet the technical requirements issued by the Department of Construction. The adjustment of the building area must be (i) noted in the proposal for the adjustment of housing's building area attached with the application form and (ii) confirmed by the Commune People's Committee. .3. The dossier for confirmation of house building completion under the scope of the Component1 includes the following documents:

a) The filled application form as specified in Appendix 1 of this guideline;

b) The standard building design dossier issued by the Department of Construction in which the household selected in their application form.

c) Minutes for certification of completed foundation in conformity with the template provided in the Appendix 2 of this guideline (applied in case the household completed the construction of their house foundation); Minutes for certification of completed house building in conformity with the template provided in Appendix 3 of this guideline (applied in case the household completed the building of the house);

d) Photocopies of disbursement vouchers (and/or receipts) of the grants, and/or loans, expenditures as stipulated in related regulations;

đ) Other document as required by the donor:

- A photocopy of ID card or registration book
- Letter of agreement on house construction under GCF project (with the template stipulated in Appendix 4 of this guideline)
- A photo of the existing house and the head of household
- A photo of the foundation and the head of household
- A photo of raw and completed house with the head of household

All these photos should be taken by PPMU's supervisors.

IV. The disbursement process of the grant for housing construction

1. For the grant which is disbursed from the local state budget and loans from the Vietnam Bank for Social Policies: the households is disbursed in accordance with the expenditure-norm, and the process, as stipulated in Decision 48/2014/QĐ-TTg and Circular 16/2014/TT-BXD.

2. For the grant which is disbursed from GCF funding, the disbursement process is stipulated as follow:

2.1) Each household which have their application form with certification of Commune People's Committee submitted are eligible to receive USD 1,700 grant from GCF for the construction of the house; this amount will be converted into Vietnam Dong (VND) at the time of the payment to the respective household;

2.2. Process of transferring funds from the donor to PPMUs:

a) Commune People's Committees shall draw list(s) of houses to be built on a quarterly basis and send them to the PPMUs before the 15th of the last month in the quarter. The PPMUs shall consolidate them into the quarterly workplans and disbursements and send to UNDP before the 10th of the first month of the following quarter to request for advance payment.

b) Within 15 days since the day from the date of receiving the quarterly plan and request for advance payment of the PPMU under the regulations of the UNDP (HPPMG) and PIM, UNDP will make advance payment to PPMU bank account.

2.3 Process of transferring funds from the PPMUs to households

a) Within 07 days from the date of receipt of the application for registration of housing construction, the commune officials and the PPMU staff shall guide the signing of letter of agreement on house construction (with the template stipulated in Appendix 4 enclosed herewith), this letter of agreement shall be archived at the PPMU;

b) Based on the dossiers certifying the completion of the construction stipulated in Paragraph 3, Section III, the PPMUs shall make direct payments to households by checks or via bank accounts. The beneficiary's name on the check or bank account must be the household head or authorized member of the household (certified by the Commune People's Committee);

c) PPMU will make 02 installments for the households:

- The first installment of 50% of the total amount will be made within 30 days since the completion of the house foundation certified by the concerned parties as stipulated in Appendix 3 of this guideline.

- The remaining 50% will be made within 30 days after the completion of the house construction certified by the concerned parties as stipulated in Appendix 4 of this guideline.

3. In addition to the funds as stipulated in Paragraph 1 and 2 of this Section, the local authority and the household(s) may mobilize other funding sources to increase the construction quality of the house.

V. Organization for Implementation

1. The Provincial People's Committees of five provinces (Thanh Hóa, Quảng Bình, Thừa Thiên - Huế, Quảng Nam và Quảng Ngãi) are requested to implement the following tasks:

- a) Direct the PPMU to cooperate with related (i) Departments of Construction, Provincial Fatherland Front Union, Provincial Women's Union and other members of the Fatherland Front to organize propaganda campaign for dissemination of information, and to implement the (i) activities stipulated in the Project Document and (ii) the tasks required in this guideline at local level;

- b) Direct related PPMU to implement the activities following the approved Project Document, and the tasks given in this guideline;

- c) Direct the Department of Construction to coordinate with PPMU to (i) implement designing tasks and publish at least 6 flood and storm resilient housing designs to facilitate the household(s) application process stipulated in Paragraph 5 of this Section; (ii) provide guidance, and monitor the households' building process to ensure the conformity with the published design option(s) and the technical standards stipulated in this guideline;

- d) Handle in accordance to its competence, or request competent agencies, to handle acts, either by organization and/or by individual(s), of violating regulations on (i) the construction of houses, and (ii) disbursement of funding under the scope of Project-Component-1 in its locality;

- d) Direct the District and Commune People's Committee to implement the Project-Component-1 in conformity with the approved Project Document and this guideline;

e) Implement other tasks as required in the approved Project Document, and in this guideline.

2. Responsibilities of the Department of Housing and Real Estate Market Management:

a) Assist the Minister of the Ministry of Construction in managing, directing, enforcing, guiding and removing related difficulties and obstacles during the implementation of Project-Component-1 in the five provinces;

b) Direct the Project-Component-1 Management Unit to cooperate with the Departments of Construction in the five provinces in the implementation of Project-Component-1 in accordance with the approved Project Document and the tasks required in this guideline;

c) Consolidate implementation process of Project – Component-1 to report to Ministry of Construction

d) Implement other related Project-Component-1 tasks as per direction of the Minister of Ministry of Construction.

3. Responsibility of the Project-Component-1 Management Unit:

a) Enforce and guide the PPMUs in the five provinces to implement Project-Component-1 activities in accordance with approved Project Document and the provisions stipulated in this guideline ;

b) Lead, or cooperate with Central PMU, PPMUs, Department of Construction at provincial level in implementing inspection, monitoring, and enforcing of the Project-Component-1's houses building processes in the five above mentioned provinces;

c) Consolidate implementation process of Project – Component-1 to report to Ministry of Construction and Central PMU.

d) Implement other related tasks as specified in the Project Document, and as per direction of the Head of the Department of Housing and Real Estate Market Management.

4. Responsibilities of PPMUs in the five provinces (Thanh Hoa, Quang Binh, Thua thien Hue, Quang Nam and Quang Ngai):

a) Notify District People's Committees and Commune People's Committees where eligible households located for implementation as per stipulations in Section II of this guideline.

b) Lead and cooperate with Provincial Department of Construction, local Women's Union and other related organizations in organizing propaganda, and guiding, activities for the implementation of the Project-Component-1 in accordance with the approved Project Document and the provision stipulated in this guideline in their respective locality;

c) Lead or cooperate with the Central PMU, the Project-Component-1 Management Unit, Provincial Department of Construction, local Women's Union (i) in the tasks of inspecting, conducting the house building process, and (ii) in the procedure for acceptance of completion of house-building in the locality in accordance with the provisions of this guideline;

d) Identify locations off the areas of high risk of disasters, areas to be relocated, areas prone to landslide and other unsafe areas; it should not be in the locations which are referred to the map of flood risk areas, flash floods, storms, super typhoons or storm surges in localities, which shall serve as a basis for making lists of households eligible for assistance under Component 1 of the project;

đ) Supervise and take responsibility for the supervision of construction as per the provisions of this guideline.

e) Produce biannually and annually project progress reports, or as required, to the Central PMU, to the Project-Component-1 Management Unit, and to UNDP for compiling and monitoring;

g) Implement other tasks as required in the Project Document, and by related direction of the Provincial People's Committee.

5. Responsibilities of the Provincial Departments of Construction:

a) Based on (i) the technical standards for building flood and storm resilient houses as stipulated in the Decision No. 48/2014/QĐ-TTg and Circular No.16/2014/TT-BXD, and (ii) the guidances provided in this document, the related Provincial Departments of Construction is responsible for cooperation with PPMU to design and issue at least 06 design options for the household to select and to apply for support. The issuance of the design options must be completed by April 2018.

The issued design options must be inlined with the actual conditions of the provinces, and meet the technical requirements for housing construction as stipulated in Section III of this document. The design options is numbered from

1 to 6 in respect to the investment cost of construction, the minimum investment cost for housing construction is set at 50 million Vietnam Dong;

b) Provide guidances on additional technical requirements for construction in case the household(s) have demand for adjustment(s) of the building area of their house in comparison with the standard design option registered in their application form; the guidances issued by the Departments can be attached with the decision for issuance of the 06 design options, or in a separate document;

c) Cooperate with the PPMU, Project-Component-1 Management Unit in the tasks of coaching, propagandizing, guiding, monitoring and inspecting the Project activities in the locality;

d) Implement other tasks as required by the Department of Housing and Real Estate Market Management, Ministry of Construction and the Provincial People's Committee during the implementation of Project-Component-1's activities.

6. Responsibilities of District People's Committees:

a) Direct Commune People's Committees to organize construction of resilient houses in accordance with the approved Project Document and the provisions of this guideline;

b) Cooperate with PPMU, Department of Construction and other related organizations to disseminate information on the procedures and regulations to supports the house-building process under the scope of the Project in their locality;

c) Synthetizing, monitoring, inspecting and enforcing the implementation of Project's supporting activities and construction process in the locality and implementing other tasks as required by the Provincial People's Committee.

d) To handle in accordance with its competence or request authorized agencies to handle the regulation violation of this construction under Component 1 of organizations and individuals in the locality.

7. Responsibility of Commune People's Committees:

a) Lead and cooperate with the Commune Fatherland Front Committee, Commune Women's Union and other members of propaganda organizations in disseminating information related to the Project-Component-1 and the provisions of this guideline to the eligible households in the locality;

b) Provide guidance for the eligible households (i) in the selection of the appropriate design option (which are affordable with their family economic conditions) to fill in the application form; receive the application forms from the eligible households in accordance with the provision of this guideline;

c) Lead and cooperate with PPMU, the Commune Fatherland Front Committee and Commune Women's Union in implementing the acceptance procedure for the completion of house-building process as stipulated in this guideline;

d) Inform about the completion of house-building process, and report the results of project implementation in their locality to related stakeholders and organizations as stipulated in this guidelines documents;

đ) Monitor, inspect and supervise the household's construction process to ensure conformity with (i) the provisions of this guideline, and (ii) the registered design option;

e) For the households with disadvantages (elders, single or short in manpower, or disable) which cannot self-build their house, and have proposed the local authority to help them to build the house(s), the Commune People's Committee is responsible to (i) supply the household with construction materials as stated in their application form, and (ii) together the Commune's Fatherland Front, Commune Women's Union and other organizations to participate in the construction of their house(s) in accordance with the technical requirements and the design option in their application form. The construction and handover of the house after completion to the household(s) must follow the provisions of this guideline;

g) Implement other tasks as stated in the approved Project Documents, and by direction of the District People's Committee and the Provincial People's Committee.

The above sections are guidelines for the implementation of Project-Component-1 as part of the Project "Improving the resilience of vulnerable coastal communities to climate change related impacts in Viet Nam" granted by the Green Climate Fund through UNDP in Vietnam, it is requested that the Provincial People's Committees of the five provinces: Thanh Hóa, Quảng Bình, Thừa Thiên - Huế, Quảng Nam and Quảng Ngãi to direct and to organize for implementation in their locality in accordance with related regulations.

If there is any difficulties or challenging issues arise during implementation, it is requested that the Provincial People's Committees of the 05 provinces communicate to the Ministry of Construction, UNDP and the Department of Housing and Real Estate Market Management for additional guidance and handling in accordance with the assigned competences./.

Recipients:

- As stated above;
- Minister Phạm Hồng Hà (to report);
- Central PMU(for cooperation during implementation);
- PC1 Management Unit (for implementation);
- UNDP (for cooperation during implementation);
- PPMUs of five provinces (for implementation);
- DOC of 05 provinces (for implementation);
- Saved copies: Offices, Dept. Of Housing Management, PC1 Management Unit (3 copies).

**ON BEHALF OF THE
MINISTER**

Director of DHMRE

Nguyen Trong Ninh