



Regional: Enabling Climate Change Responses in Asia and the Pacific - Disaster Risk Financing for Total Climate Risk (Subproject 6)

Project Name	Enabling Climate Change Responses in Asia and the Pacific - Disaster Risk Financing for Total Climate Risk (Subproject 6)		
Project Number	44158-032		
Country / Economy	Regional		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8012-REG: Enabling Climate Change Responses in Asia and the Pacific - Disaster Risk Financing for Total Climate Risk (Subproject 6)		
	Japan Fund for Prosperous and Resilient Asia and the Pacific		US\$ 1.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Private sector development		
Sector / Subsector	Finance / Finance sector development		
Gender	No gender elements		
Description	On 30 July 2010, ADB approved a Cluster TA for Enabling Climate Change Responses in Asia and the Pacific. Disaster Risk Finance for Total Climate Risk is a subproject under the cluster TA's Strategic Priority V: Promoting Climate Resilient Development. The subproject will assess potential disaster risk financing (DRF) options for climate-related risk for selected cities in Viet Nam in terms of feasibility, demand, and effectiveness. The TA is funded through the Japan Fund for Poverty Reduction.		
Project Rationale and Linkage to Country/Regional Strategy	<p>Traditionally, developing countries have relied heavily on ex post government budget allocations, public borrowing and international assistance to finance their disaster relief, early recovery and reconstruction efforts. This practice has resulted in delays in reconstruction, exacerbating the indirect impacts of disasters. The additional post-disaster pressure on public resources has also had adverse implications for the achievement of long-term social and economic development goals.</p> <p>Over the past decade, there has been increasing interest in proactive, ex ante financing mechanisms via public-private partnerships (PPP) to help address these issues. These mechanisms allow the participating country to transfer and manage disaster risk via private sector finance and insurance mechanisms before a disaster occurs. The mechanisms are typically developed with the support of private sector reinsurance and risk modeling companies, which quantify and estimate disaster risk. Ex ante DRF mechanisms complement ex post arrangements, creating a long-term solution for sustainable and timely DRF.</p> <p>Viet Nam is highly exposed to natural hazards, in particular hydrometeorological hazards, and its susceptibility to the effects of climate change will raise its level of disaster risk. The subproject will assist two cities in the country to develop ex ante DRF mechanisms. The subproject's urban focus reflects the fact that urban areas face unique and rising disaster risk and climate change challenges and account for an increasing share of Viet Nam's total population and economic productivity, yet have received relatively little attention to date in the development of DRF solutions. The Government of Viet Nam has set a 50% urbanization goal by 2025; and urban areas already accounted for 70% of GDP by 2010.</p> <p>The subproject will be complemented by additional activities under RETA 7812, a separate JFPR-funded DRF TA, which will focus on the development of DRF options in two cities in Indonesia and two cities in the Philippines that face both geophysical and hydrometeorological risks.</p>		
Impact	Participating governments increase appropriate reponses to climate change and disasters with support from civil society and the private sector.		
Project Outcome			
Description of Outcome	Participating governments are able to integrate climate change and disaster responses with social and economic development goals		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	(i) Risk profiles and risk models completed and available to Viet Nam that highlight the disaster-related consequences of climate change. (ii) Consensus reached on an appropriate DRF mechanism for each city. (iii) Consultation, training, and dissemination activities completed to increase awareness within Viet Nam regarding IDRM (iv) Project management units (PMU) established		
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>The project is being implemented in three phases: Phase 1: development of disaster risk profiles for selected medium-sized urban areas in Viet Nam, culminating in the selection of two project cities; Phase 2: development of in-depth hazard and loss models for each of these two cities, leading to the identification and development of DRF options tailored to the disaster risk circumstance, capabilities and interests of each one; Phase 3: selection of one DRF mechanism, following an independent review of all Phase 2 options.</p> <p>Consultative Groups</p> <p>A Project Working Group was formed in 2013 comprised of the Ministry of Construction, Ministry of Finance (MoF), Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE) and the Ministry of Planning and Investment (MPI). The working group convened in March 2013 and June 2013 to consider city selection criteria and to evaluate recommendations made by the project consultants on final pilot city selections.</p>		
Geographical Location	Regional		
Summary of Environmental and Social Aspects			

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	Throughout the inception and implementation of the subproject, planning workshops and training courses will be held to engage a wide range of stakeholders from national and local government agencies, civil society organizations, academic institutions, and the private sector. The results of the subproject will be disseminated widely to stakeholders in Viet Nam as well as elsewhere in Asia and the Pacific through ADB reports, regional conferences, and other fora to keep the public informed and to mobilize support for improved financial management of disasters.

Responsible ADB Officer	Benson, Charlotte
Responsible ADB Department	Sustainable Development and Climate Change Department
Responsible ADB Division	SDCD*
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines

Timetable	
Concept Clearance	27 May 2010
Fact Finding	30 Nov 2010 to 03 Dec 2010
MRM	-
Approval	09 Dec 2011
Last Review Mission	-
Last PDS Update	19 May 2014

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
09 Dec 2011	-	09 Dec 2011	30 Nov 2014	30 Nov 2015	29 Feb 2016

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00	17 Jun 2022	853,437.93

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