

SOCIALIST REPUBLIC OF VIET NAM
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GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM
MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

No:

Date: January 9, 2019

Subject: Commitment of Co-Financing for the GCF-funded project titled 'Strengthening the resilience of smallholder agriculture to climate change-induced water insecurity in the Central Highlands and South-Central Coast regions of Vietnam'

Reference:

The Ministry of Agriculture and Rural Development (MARD), on behalf of the Government of Viet Nam, is pleased to confirm the co-finance from our central government sources over the project implementation period to support the aforementioned GCF project as follows:

- An amount of USD 483,827 co-financing, with USD 406,277 in cash and USD 77,550 in-kind contribution, directly to the aforementioned GCF project; and
- Additional amount of USD 22,060,000 through the 'Water efficiency improvement in drought-affected areas' (WEIDAP) project. This amount is the Government co-finance, supplementing the ADB investments under the WEIDAP project.

This co-financing is conditional upon the approval of the proposed project by the GCF Board.

The GCF Project title: *Strengthening the resilience of smallholder agriculture to climate change-induced water insecurity in the Central Highlands and South-Central Coast regions of Vietnam*

Project Duration: 2020-2026 (Six years)

Project cost: Total USD 156,073,752 which includes, (i) USD 29,986,277 from the GCF in the form of grants, (ii) USD 483,827 as co-finance from MARD for this project, (iii) An additional USD 22,060,000 from MARD as co-finance through the 'Water efficiency improvement in drought-affected areas' (WEIDAP) project, (iv) USD 99,590,000 as co-finance from ADB through the WEIDAP project, and (v) USD 3,953,648 as co-finance from the five provincial authorities. (Refer to Annex IV for further details on co-financing.)

The new co-financing of USD 483,827 from the MARD will complement GCF resources during the six-year project implementation period as follows:

- USD 406,277 (in-cash) towards investments in (i) last-mile connectivity to ADB irrigation system (activity 1.2); (ii) upgrading/construction/O&M of water harvesting and storage infrastructure (activity 1.3); and (iii) enabling access to credit and markets (i.e through support training workshops, trade fair activities) (activity 2.2); and
- USD 77,550 (in-kind) contribution is committed in the form of resources for project management (staff time, running costs) to support effective project implementation at all levels during six-year period.

We would further like to confirm that, MARD shall additionally be funding a total of USD 22,060,000 to supplement the ADB loan, as part of the investments of USD 121,650,000 through the WEIDAP project made jointly by the Asian Development Bank (ADB) and MARD. The GCF-funded project is co-designed to maximise impacts of the WEIDAP project, as it is critical to empower vulnerable smallholder farmers, especially the ethnic minorities across the Central Highlands and South-Central coastal provinces to manage increasing climate risks to their agricultural production by securing water availability, adopting climate-resilient, water-efficient agricultural cropping systems and using climate information for climate-risk informed water/agricultural planning.

MARD would like to thank UNDP for its support in the formulation of this GCF funded project and looks forward to commencing implementation, subsequent to consideration and approval by the GCF board.



On behalf of MARD,

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