



ADAPTATION FUND

AFB/B.44-45/14
29 July 2025

Adaptation Fund Board

**REQUEST FOR NO COST EXTENSION OF PROJECT
COMPLETION DATE:
UNITED NATIONS HUMAN SETTLEMENTS
PROGRAMME
(VIETNAM)**

Background

1. During the intersessional period between its thirty-third a. and thirty-third b. meetings, the Adaptation Fund Board (the Board) approved a three-year project titled “Enhancing the resilience inclusive and sustainable eco-human settlement development through small scale infrastructure interventions in the coastal regions of the Mekong Delta” implemented in Vietnam and submitted by the United Nations Human Settlements Programme (UN-Habitat) for a total amount of US\$ 6,345,292 (Decision B.35.a-35.b/22).

2. The overall objective of the project is to follow a comprehensive and holistic approach which combines a number of horizontally and vertically interrelated resilience approaches towards the strengthening of institutions, communities, ecosystems and physical, natural and social assets. This will be achieved through the following components: (i) Institutional and community capacity building toward eco-human settlement development for supporting to enhance local climate response actions; (ii) Action plan and strategy development for eco-human settlement, and integrating into planning and policy with participatory approach; (iii) Sustainability built through small-scale protective infrastructure; and (iv) Awareness Raising and Knowledge Management.

3. As mandated by the decision, an agreement was prepared and signed between the Board and UN-Habitat on 31 July 2020 and the project started implementation on 16 December 2020.

4. As of 22 July 2025, three PPRs were cleared by the secretariat and a total project funding for an amount of US\$ 5,001,188 including the project fees has been disbursed by the trustee, which corresponds to 78.8 % of the approved grant.

5. UN-Habitat was granted in 2023 and 2024 two COVID-related twelve-month extensions of the project completion date respectively from 16 December 2023 to 16 December 2024, and from 16 December 2024 to 16 December 2025, which the secretariat cleared in accordance with Decision B.35.b/16 (Ref. 2023/174 and 2024/112).

6. On 4 July 2025, UN-Habitat submitted a third request for a regular eighteen month no-cost extension of the project completion date from 16 December 2025 to 16 June 2027 (see annex 1). This request is being raised due to significant government restructuring initiated in December 2024, which has led to several disruptions, including (i) the merger of the Ministry of Environment and Natural Resources with the Ministry of Agriculture and Rural Development; (ii) the integration of the two target provinces into newly established provinces as of 1 July 2025; and (iii) the abolition of district and city administrative levels as of 1 July 2025.

Secretariat’s review of the request

7. Following a thorough review of the request and in light of the justification provided by UN-Habitat, the secretariat is of the view that this eighteen-month no-cost extension request is warranted. As outlined in the documentation submitted by UN-Habitat (Annexes 1, 2 and 3), this extension should allow sufficient time to complete all remaining activities and to finalize the development and submission of all outstanding project reporting requirements. Finally, the secretariat acknowledges that the Designated Authority has been notified, in accordance with the amended Policy for Project/Programme Delays, as specified in Annex 1.

Recommendation

8. The Board may consider and decide to approve the request for an eighteen-month no-cost extension of the project completion date from 16 December 2025 to 16 June 2027 for the project “Enhancing the resilience inclusive and sustainable eco-human settlement development through small scale infrastructure interventions in the coastal regions of the Mekong Delta” as requested by UN-Habitat.

Annex

1. Request for an extension of the project completion date from UN-Habitat.
2. Letter from UN-Habitat.
3. Letter from the National Project Director.

Annex 1: Request for an extension of the project completion date from UN-Habitat**ANNEX A: REQUEST FOR EXTENSION OF CONCRETE ADAPTATION PROJECT/PROGRAMME***Request for extension of project/programme completion date*

Implementing Entity Name: United Nations Human Settlements Programme (UN-Habitat)			
AF Project/programme ID: VNM/MIE/Urban/2019/1			
Project/programme Title: Enhancing the resilience inclusive and sustainable human settlement development in the coastal regions of the Mekong Delta in Viet Nam			
Country: Viet Nam			
Project/Programme Approval (date)	01/06/2020		
Expected Project/programme Completion (date)	16/12/2025	Proposed Revised Completion (date):	16/06/2027

Reasons/justifications for the extension of project/programme completion:

- The project is currently facing unforeseen and unavoidable delays due to Viet Nam's ongoing government restructuring. This nationwide streamlining process, initiated in December 2024, is affecting both central and local levels of administration. Key changes include:

- o **Merging of Ministries and Departments**, from 18 ministries and 4 ministry-level agencies to 14 ministries and 3 ministry-level agencies. Consequently, the national-level governing body of the project, the Ministry of Environment and Natural Resources, has been merged with the Ministry of Agriculture and Rural Development to become the Ministry of Agriculture and Environment. Corresponding departments at local levels have also been consolidated.
- o A significant reorganization at the provincial level is set to reduce the number of provinces and centrally governed cities from 63 to 34 through mergers. The two project locations, Bac Lieu and Tra Vinh Provinces, will be integrated into the new Ca Mau and Vinh Long Provinces, respectively. New provinces will officially come into operation on 1st July 2025.
- o **Abolishment of district and city levels**, set to take effect from 1st July 2025. This shift from the current three-tier system (province, district and commune) to a two-tier system (province and commune) will require substantial adjustments by local authorities.

These administrative transitions have created uncertainty and disruptions that are projected to extend through the end of 2025.

In light of these developments, continued implementation under the current timeline is not feasible without compromising the project's quality and outcomes. The executing entity, therefore, respectfully requests an 18-month no-cost extension to allow sufficient time to adapt to the evolving administrative landscape and ensure the full and effective delivery of planned activities and results.

The proposed revised completion date is 16 June 2027. There will be no additional cost and no change to the project's framework.
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Implementing Entity certification

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.
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Rafael Tuts
Director, Global Solutions Division
UN-Habitat

Date: 03 July 2025

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Annex 2: Letter from UN-Habitat



UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME
 P.O. Box 30030, Nairobi 00100, Kenya
 unhabitat-info@un.org | www.unhabitat.org

FOR A BETTER URBAN FUTURE

Nairobi, 03 July 2025

Dear Sir/Madam,

Subject: Request for a no-cost extension of the project “Enhancing the resilience, inclusive and sustainable human settlement development through small scale infrastructure intervention in the coastal regions of the Mekong Delta in Viet Nam”

I am writing this letter to formally request a no-cost extension to the project *Enhancing the resilience inclusive and sustainable eco-human settlement development through small-scale infrastructure interventions in the coastal regions of the Mekong Delta in Viet Nam*, database no. VNM/MIE/Urban/2019/1, approved by Adaptation Fund Board (AFB) Decision B.35.a-35.b/22, implemented by UN-Habitat and executed by the Project Management Unit, Ministry of Environment and Natural Resources of Viet Nam (MONRE).

As informed by AFB in letter 2024/112, the aforementioned project has been granted a twelve-month no-cost extension and is set to close on 16 December 2025. However, significant delays persist due to an ongoing government restructuring in Viet Nam, including the merger of ministries, provinces, and the elimination of district-level governance. This process is expected to disrupt project operations and activities through the end of 2025.

To ensure the full delivery of planned outcomes and maintain quality, we respectfully request an additional 18-month no-cost extension, revising the completion date to 16 June 2027. No additional funding is required, and the project’s approved scope and framework remain unchanged.

Yours faithfully,

Rafael Tuts
 Director, Global Solutions Division

The Adaptation Fund Secretariat
 Adaptation Fund Board Secretariat
 1818 H Street NW
 Washington DC 20433
 United States of America

Annex 3: Letter from the National Project Director

Sustainable
Eco-human
Settlement

Climate change adaptation in Mekong Delta

Ha Noi, May 23rd, 2025

Mr. Kieu Viet Cuong
Acting Country Manager
UN-Habitat Office in Vietnam

Subject: Request for no-cost extension of the “Enhancing the resilience inclusive and sustainable eco-human settlement development through small-scale infrastructure interventions in the coastal regions of the Mekong Delta in Viet Nam” (HREMRD) project

Dear Mr Kieu Viet Cuong,

The Project Management Unit for “Enhancing the resilience inclusive and sustainable eco-human settlement development through small-scale infrastructure interventions in the coastal regions of the Mekong Delta in Viet Nam” (HREMRD) project would like to present our compliments for your close cooperation throughout the implementation of the project.

The HREMRD project, implemented since May 2021 and expected to close by December 2025, is currently facing delays due to Viet Nam’s ongoing government restructuring. This nationwide streamlining process began in late 2024, is affecting both central and local levels, with a new two-tier provincial model expected to take effect from 1 July 2025. Further delays and uncertainties are anticipated as local authorities undergo administrative transition through the end of 2025.

In light of these developments, and in order to ensure the successful and timely completion of the project’s objectives, we respectfully propose a no-cost extension of the project implementation period. Accordingly, we kindly request UN-Habitat Office in Vietnam to initiate the necessary procedures to seek approval from the Adaptation Fund for an extension until June 2027 (an additional 18 months).

We are grateful for your continued collaboration and support, and we look forward to your favourable response.

Sincerely yours,

Nguyen Dinh Tho
National Project Director, PMU for HREMRD Project

CC: Mr Tran Cong Thang, Director General, Institute of Policy and Strategy for Agriculture and Environment

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