



The Asia Foundation

TERMS OF REFERENCE

For consultants to develop

a business toolkit to assess climate change risks

29 July 2016

Time frame: August 2016 – September 2017

Location: Hanoi and Long An, Vietnam

I. BACKGROUND

Long An province has become a key location for investment in industrial development in Vietnam over the past decade. Attracting the industries forced to move out of Ho Chi Minh City, this largely agricultural province is now home to 3,400 enterprises involved predominantly in plastics manufacturing, food and beverage processing, mechanical and metallurgical operations, and machinery manufacturing. Since 2002, this industrial development has also been accompanied by a rising awareness of climate change and the risks it poses to the province. According to the Climate Change Research Institute at Can Tho University, 49 percent of Long An province is likely to be flooded if the sea level rises by one meter. Increased extent and duration of flooding, inundation from sea level rise, heat stress, extreme rainfall and increases in surface and groundwater salinity could become significant threats to agriculture and fisheries, as well as to industries throughout the province in the not so distant future.

Low awareness and ill-preparedness from corporate sector to climate risks. Climate change and natural disasters affect the financial performance and sustainability of businesses, particularly those with significant fixed assets or complex supply chains. However, according to a USAID-funded survey of 220 businesses in 18 industrial zones in Long An province conducted by the Foundation in 2015, a significant gap exists between awareness and action taken to manage the risks of climate change and natural disasters. Additionally, the majority of businesses' climate change strategies focus on near-term and regular climatic events, which indicates that they are driven by historical experience and have inadequate understanding of climate change's long-term impacts. Effective business strategies require an awareness of the wide range of risks posed by climate change and, importantly, an understanding of the relative significance of those risks for businesses and the communities in which they are located. However, there are no guidelines or resources from the Central Government or local authorities for businesses to assess risks, undertake intervention programs, and participate in wider discussions on the future of their businesses and communities. Therefore, there is a strong need for a toolkit to help businesses and investors understand the risks they face and support them in taking appropriate actions.

To build businesses' climate change resilience in Long An province, the Foundation will develop a toolkit for businesses to assess their own climate change risks.

II. OBJECTIVE

The Foundation is currently seeking a team of experts (hereinafter called the consultants) to design the business toolkit that will provide businesses in Long An province a means of assessing their current climate risk profile as well as potential risks under various climate change scenarios. The consultants, with support from The Foundation staff, Long An's DONRE, Long An's Department of Agriculture and Rural Development (DARD, and the province's Economic and Industrial Zone Authorities, will collect as much existing information and data inputs as possible to develop the toolkit, drawing information from the 2014 and 2015 studies on business risk assessment in Long An prepared by the Foundation and from other international experiences of business responding to climate change and natural disasters.

III. THE PROJECT

The toolkit will provide business owners in Long An with a range of strategies and solutions to address risks and opportunities associated with climate change. It will target asset owners, more specifically, boards of directors and investment committees, but also contain insights for other asset managers such as banks and insurers. It will contribute, in part, toward the development and adoption of new industry norms, tools, and expertise in embedding climate change and natural disaster risk considerations into core investment processes. The team will utilize the toolkit to affirm corporate and policy engagement as an important complementary strategy to the government's efforts to address climate change and natural disaster risks. There is growing literature and an expansion of investment on climate model simulations and risk assessments at the national and subnational level. In this context, the gaps in awareness, available information and supporting policies remain the biggest challenges for enterprises and investors, limiting their ability to effectively manage climate change risks. To help businesses assess climate change risks to local investment, the toolkit will:

- Include a risk assessment framework with key components such as i) climate risk screening, ii) local/site data collection, iii) parameters for risk calculation, iv) vulnerability and risk assessment, and v) adaptive ability assessment;
- Integrate a mathematic/automatic modeling process to generate tailored risk information for investor/firm managers;
- Enable update of spatial and other climate-related data (i.e., floods) at the firm or sector level through an open format;
- Integrate the latest micro-level models/simulations to downscale the large model, such as Global Climate Model, to a finer scale of information that can more meaningfully inform investors' and businesses' decision-making processes. Some statistical downscaling techniques will be employed;
- Take into account a local or sector/site specific scale;
- Support local government to develop a data collection strategy at local/sector level;
- Support business to coordinate with local agencies for knowledge management and built-on risk assessment data and enabling environment for CC adaptation;

The consultants will test the developed risk assessment framework through various cases based on the risk factors identified in the assessment in Long An, such as sea level rise, seasonal and urban flooding, extreme rainfall, and groundwater issues. Prior to testing the framework, the consultants will conduct a training course for businesses and business associations on the risk assessment framework, climate change adaptation, and disaster risk management to raise the private sector's awareness about the framework before it is tested. In the training, three businesses will be identified for piloting the toolkit in order to validate its functionality and practicality. The consultants, together with The Foundation staff, will select businesses based on their willingness and commitments in the testing program as well as their proxy data which meet the input requirements of the developed toolkit. The toolkit will also provide businesses with subsequent adaptive strategies for individual analyzed risks. The consultants will work closely with Long An's DONRE,

¹ The Asia Foundation prepared reports on (1) Assessment of Potential for Public-Private Collaboration in Disaster Risk Management and Climate Change Adaptation in Industrial Zones in Long An Province and (2) Banking As A Driver for Resilience – Case Study of Long An Province. Both reports were funded by the USAID Forests and Deltas Project through Winrock International.

Long An Economic Zone Authority, and Long An's VFD PMU² to conduct these training courses. Based on the outcome of the training program and testing of the framework, the consultants will then revise and finalize the toolkit before transferring it to VFD Central PMU for wider application in Long An.

IV. ACTIVITIES

The consultants will be responsible for the following activities:

- Conducting a desk review including collection of as much existing information and data inputs as possible to develop the toolkit, drawing information from the 2014 and 2015 studies on business risk assessment in Long An;
- Designing and developing the toolkit framework;
- Developing the toolkit based on the approved framework;
- Conducting training to selected businesses in Long An;
- Testing the toolkit at selected businesses in Long An to validate its functionality and practicality;
- Revising and finalizing the toolkit;
- Reporting on toolkit development process and developing users' manual;
- Present the outputs and gain feedbacks at the project final workshop.

Besides, the consultants have to keep The Foundation updated about the progress of the assignment during the implementation.

² Vietnam Forest and Delta Project Management Unit.

V. TIMEFRAME

The consultancy will start in August 2016 and will be completed by the end of October 2017. The consultant should work closely with the Foundation staff. The detailed timeframe is described below:

No	Activity	2016						2017										
		7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	
	Develop a business toolkit to assess climate change risks																	
1.1	Recruit consultants	█	█															
1.2	Form a study team and develop a work plan with Long An’s DONRE		█															
1.3	Conduct desk research		█															
1.4	Develop the detail toolkit framework			█														
1.5	Framework review process			█														
	Send the draft framework to VFD and PPMU for comments and inputs			█														
	Panel to review and approve the developed framework			█														
	Finalize the framework			█														
1.6	Develop the toolkit based on the approved framework				█	█	█											
1.7	Train selected businesses in Long An prior to testing							█	█	█								
1.8	Test developed toolkit in three selected businesses										█	█	█					
1.9	Toolkit report reviewing process															█		
	Send draft report to VFD and PPMU for comments and inputs															█		
	Panel to review the pre-final report version															█		
1.10	Revise and finalize toolkit, and develop users’ manual															█	█	
	Final workshop to present the project outcomes																	█

VI. OUTPUTS

The main outputs of the consultancy include the toolkit with properties as described above, the trained businesses, a report on toolkit development process, and the manual to guide users to use the toolkit.

VII. REQUIREMENTS

- Relevant academic and practical background;
- In-depth knowledge of Vietnamese provincial political economy, public-private cooperation, businesses and development, especially in the field of disaster risks and climate change;
- Relevant experience in developing multi-discipline toolkits;
- Fluent in English language;
- Availability during the period indicated above.

VIII. SUBMISSION

Interested consultant(s) or organization should submit the application package (including CV, Letter of Interest, profile that mention details of relevant experiences, and budget) in English to Mr. Le Quang Trung, Program Officer, at:

The Asia Foundation,

#10-03, Prime Center,

53 Quang Trung, Hai Ba Trung, Ha Noi

Email: trung.le@asiafoundation.org

Note: Samples of relevant product will be highly appreciated.

Closing time for applications is 5.00 PM (Hanoi time, GMT+7) on August 12th, 2016.