

FINAL EVALUATION

VIE/433

Climate Adaptation and Resilience
in Thua Thien Hue Province

PROJECT SUMMARY DATA

Country	Vietnam
Long project title	Climate Adaptation and Resilience in Thua Thien Hue Province
Short project title	N/A
LuxDev Code	VIE/433
Version of the Report	December 2022

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	1.9 On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: 1.3 Coherence: 1.6 Efficiency: 2.0 Sustainability: 2.7

EXECUTIVE SUMMARY

The final evaluation of project VIE/433 Climate Adaptation and Resilience in Thua Thien Hue Province was undertaken by Mekong Economics during September - December 2022. The evaluation aimed to provide a summative and formative appraisal of the project's achieved results within its framework and lessons learnt for the project's subsequent phase and/or existing studies or initiatives. Specifically, the evaluation assessed the project's achieved results and specific objectives, implementation modalities, capacity building, management and monitoring as well as other accomplishments using the evaluation criteria (relevance, coherence, effectiveness, efficiency, and sustainability) and considering cross-cutting aspects (governance for development and gender equality). This evaluation also included responses to specific questions on a variety of topics, lessons learnt, and suggestions.

The VIE/433 project aimed to increase the resilience and adaptive capacity to climate-related hazards and natural disasters in coastal and lagoon communes. It targeted the same 55,500 households in the same 29 communes as the earlier VIE/033 in Quang Dien (11), Phu Vang (9), and Phu Loc (9), which were the most susceptible to the effects of climate change due to their proximity to the lagoon and low altitude. VIE/433 was a continuation of the very successful Official Development Assistance-funded VIE/033 project (July 2013-June 2018), but as Luxembourg's first two pure climate projects, with a narrower technical scope than VIE/033 and a greater emphasis on climate change adaptation through the addition of two new components, namely organic agriculture and institutional capacity development for climate change adaptation monitoring and measuring, reporting, and verification of climate change mitigation actions. VIE/433 moved towards climate change resilience (International Climate Finance) as the main objective, instead of entirely focusing on poverty reduction and local development (Official Development Assistance). It was implemented with the same institutional structure and provincial and district partner cooperation as VIE/033.

VIE/433 was formally launched with a budget of 2,300,000 EUR (of which, Luxembourg fund 2,000,000 EUR, and counterpart – 300,000 EUR) on 1 July 2018. The project was scheduled to conclude on 31 December 2020. However, due to delays in implementation caused by the Covid-19 outbreak, challenges in achieving expected outcomes within the limited timeframe and budget, particularly those related to two new technical components that were unfamiliar to the provincial key agencies, the Department of Agriculture and Rural Development for organic agriculture and the Department of Natural Resources and Environment for climate monitoring and evaluation and measuring, reporting, and verification, the project was given a 24-month extension until 31 December 2022 and granted an additional budget of 961,000 EUR, bringing the project total to 3,261,000 EUR.

VIE/433 accomplished its objectives as set out in the logframe and made significant progress thanks to the excellent coordination and ongoing efforts of all involved parties through the project's duration. By the end of 2022, 14/14 project indicators with an End of Project target, met or surpassed that target, and five open-ended indicators (no End of Project target) showed very good progress as well. Overall, the project increased the local climate change-related resilience and adaptation in a sustainable, equitable, and efficient manner: 63,334 individuals directly benefiting; households suffering significant (monetary) damage and loss from climate-related impacts reduced by 48.9%; institutional capacity of the Division of Climate Change of Thua Thien Hue Department of Natural Resources and Environment increased by 63.5% compared to baseline; 95.8% procedures/steps of provincial climate change adaptation monitoring and evaluation and climate change mitigation measuring, reporting, and verification system developed and completed; 95.8% secondary pupils with improved knowledge, attitudes and practices with regard to climate change adaptation-climate change mitigation and disaster risk reduction; 5,466 households directly benefiting from 14 sub-projects constructed and 11 sub projects repaired/upgraded and 875 ha productive land being better protected against specific climate change impacts; 99.4% fishermen & farmers with improved knowledge, attitudes and practices on effective management, use and conservation of fisheries and aquatic resources; 72.2% sample sites with surface water quality complying with all six parameters; 84.8% organic agriculture groups completing Participatory Guarantee System certification procedures; fertilizer and pesticides/herbicides in organic agriculture across all pilot interventions reduced by 37,339 kg and 118.2 liters, respectively; 9,172.5 million VND or 380,000 EUR gained as total revenue of organic products in 2020-2022; and 79.7% organic food models completed post-production and marketing process cycle, etc.

The institutional structure and partners of both projects VIE/433 and VIE/033 were virtually the same. The Project Steering Committee put in place effective mechanisms to steer the project operation, track progress, and make strategic decisions. The Luxembourg Projects Management Board and Technical Assistance Office worked in close collaboration, on the same premises, and were jointly responsible for overall project management. Each District Implementation Board was supported by a District Facilitator. Overall, the project structure enabled a holistic set of support from different levels, which in turn supported the achievement of the project objectives.

The project adopted a strong participatory approach involving authorities, agencies and beneficiaries at all levels. By following this approach, the project resources and local resources were managed well towards achieving the project objectives. There were minimum modifications of the project interventions, simply because they were well designed in close consultation with local agencies and communities. This was also considered as one of the key elements to ensure the project's success.

The capacity building, including technical support, targeted a wide range of beneficiaries, including both organizations and individuals, at different levels. In general, the project partners and beneficiaries were well equipped with technical expertise/ capacity to implement the project activities. The capacity building interventions were considered highly successful.

The project collaborated with different stakeholders over the course of implementation, and it proved to be very efficient. A large number of diversified interventions completed within a limited timeframe was good evidence for the excellent coordination and partnership, and project organizational structure. The Implementation Partners were more familiar with the project procedures, and found it less complicated, thanks to the project guidance and experience from VIE/033. The private sector was also involved in the project implementation to a certain extent (e.g., HueViet for organic agriculture product consumption, Que Lam with whom organic agriculture rice farmers signed contracts). An international non-government organization (i.e., HueHelp) provided survival swim classes to more than 4,000 primary students.

The project received high scores as per Organization for Economic Cooperation and Development - Development Assistance Committee evaluation criteria (on a scale 1 to 6 whereby 1 = Excellent result, 2 = Above average results and 6 = Unsuccessful). The project was fully in line with the national and provincial policies of enhancing the climate change resilience and aligned with the local needs and priorities (*Relevance 1.3*). The project was aligned with the provincial policy frameworks and mandates of functioning departments (e.g., Division of Climate Change /Thua Thien Hue Department of Natural Resources and Environment), while active engagement with other multilateral and bilateral agencies, and international non-governmental organisations allowed the project to harmonise with their initiatives (*Coherence 1.6*). The project enhanced the Government and community capacities and ecosystem resilience in response to climate change and provided high quality small-scale infrastructure to protect people and their livelihoods (*Effectiveness 1.9*). Apart from significant delays in implementation due to the Covid-19 outbreak, the project activities mostly followed the plan with minimum adjustments. The implementing parties were very competent and committed to the implementation (*Efficiency 2.0*). A number of the project activities such as climate change-related activities at schools, climate change adaptation monitoring and evaluation work, infrastructure selection process/ maintenance, Fishery Associations' operation, compost fertilizer production would likely continue to a greater or lesser extent, depending on available funding and/or time, while it would require time to assess some activities such as organic agriculture models (*Sustainability 2.7*).

The project put a strong emphasis on raising climate change-disaster risk reduction awareness and capacity of a number of government agencies and community individuals at all levels. The project focused on tackling climate change-related issues; however, gender equality remained an important aspect. Attention was paid to the vulnerabilities of women, and gender inequalities in relation to climate change adaptation and disaster risk reduction when designing the project interventions and selecting beneficiaries.

What are the one-two most important results/successes for VIE/433, and one-two most important challenges for future projects?

Result #1: The "winner" in the previous VIE/033 project was lagoon fisheries, where a complex cooperation result was achieved. During that project assistance to adaptive agricultural activities, e.g., new varieties began. The proving of the viability and business case (at small scale) of organic agriculture has been the most impressive result from VIE/433. This needs to be built upon in any future project.

Result #2: VIE/433-led work on the climate change adaptation monitoring and evaluation and mitigation measuring, reporting, and verification systems was an innovative and unique contribution of the project. It is clear that much progress has been made on this, and that this impacted national level. The counterfactual (what would have happened "without project"), in our view, is that very little would have been achieved in this area without VIE/433.

Future challenge #1: Scaling up organic agriculture – this is discussed in some detail below.

Future challenge #2: Ensuring the sustainability of the fisheries lagoon cooperative system (associations, etc.), as discussed below.

Assess VIE/433 achievements in identifying, documenting and sharing good practice or innovative approaches.

The monitoring and evaluation system of VIE/433 continues from the previous project to be of the highest standard. Integral to a high-quality system is sharing and explaining what the data actually shows and means. This has also been done well, and flexibly. The cooperation with Department of Natural Resources and Environment and Ministry of Natural Resources and Environment about the climate change adaptation monitoring and evaluation and mitigation measuring, reporting, and verification systems is the outstanding example. Asian Development Bank and Pricewaterhouse Coopers consultants are frequently consulting with Technical Assistance Office on the project's measuring, reporting, and verification work. Infrastructure prioritization score cards, organic agriculture models are other good examples of tools/approaches that could be adapted/ replicated in other contexts. There were also numerous examples of informal dialogue and mutual assistance between project staff and Department of Planning and Investment at provincial and district levels. Close and friendly working relations facilitate the exchange of ideas and tacit knowledge.

Other key achievements included the establishment of the Thua Thien Hue organic agriculture Association and Participatory Guarantee System Coordination Board (under Department of Agriculture and Rural Development), and the involvement of teachers and students and the dynamics in secondary schools in climate change and environmental issues. For the purpose of sharing good practices, in Quarter I/2023, the project will focus on documentation (e.g., LuxDev capitalization notes) of a number of interventions and impact, including organic agriculture and climate change - environmental activities in/with schools.

What lessons learned have potential for scale up? Are there any paradigm shifting/innovative elements that would invite having a closer look at (good practices? lessons learned)? How could the sustainability dimension be enhanced? Any sustainable financial mechanisms that could enhance the (financial) sustainability of project components? What links could be built to the private sector and what role could it play?

A future project would be wise to allocate modest funds to support the fisheries associations and associated activities (patrols, water testing, etc.). The sustainability (which basically means government co-funding) of lagoon management is not clear. Public, comprehensive and regular water quality testing is not yet fully transferred to non-project options, yet it is essential (for example, there were complaints from fisheries association members that pollution from increasing numbers of upstream fish cages is becoming a problem). Maintaining patrols is another issue. At present about 15 patrols are done per year, but present association membership fees could cover the costs of only one patrol. Marker posts will also require upkeep. One approach might be for a new project to reach agreement for one-to-one contributions to a dedicated account (so the projects deposits, say, 50,000 USD per annum after the government has done the same). In this, and in other areas where financial sustainability is an issue, innovative ideas to “nudge” government to take over some or all of the responsibility are needed.

If organic agriculture is supported in a future project, the ultimate goal is to achieve scale, which is reflected in numerous farmers shifting to organic agriculture products at relatively low one-off costs to themselves and to the project (and Government). In other words, the marginal costs (and risks) of “adding one more farmer” needs to be low – which can be achieved if expert local key farmers are available to mentor and train, if processing and all up-markets aspects of the value chain are established and cost-competitive, and if the cost of per-farmer certification falls as the total number grows.

As was part of the project awareness raising interventions in the beginning, any new project needs to “get inside the mind” of the farmer considering moving to organic farming. What is stopping them? Is it some sort of distrust, or just lack of information? Are they not confident in meeting new requirements?

From such an understanding we can consider “tipping point” ideas such as: insurance for the first two years of transition (e.g., a guaranteed income even if total crop failure, and some subsidy if organic agriculture income less than previous crop income); signed agreements with selected organic agriculture partners with additional financial support from surplus funds, expansion of organic agriculture work province-wide under a new to be expected Green Climate Fund funded adaptation project (e.g., advanced technologies, collaboration with the private sector and Agribank); or vouchers to pay for transition costs (e.g., vouchers for 5 million VND or 207 EUR to pay a key farmer of your choice to support you); or guaranteed sales prices for two years for crops that meet organic agriculture standard. Covering certification costs is another option. In this way the “leap to scale” can be achieved (without making promises of unsustainable subsidies after two years).

Many of the activities funded under VIE/433 are public goods that have no prospect for commercial profit (organic agriculture being the exception, of course). Consequently, "linking to the private sector" (beyond paying for services) is problematic. Even in organic agriculture we should be cautious and avoid giving private firms exclusive access (e.g., "all farmers must sell to this firm"). Firms, like farmers, are profit maximising, and should be understood as such (i.e., not charities).

What a future project might consider, however, is underwriting the up-front (high risk) feasibility study costs of interested private firms (e.g., on 50/50 basis). Thus, for example, if organic agriculture grew rapidly with export potential, interested foreign buyers could have expenses covered to visit Thua Thien Hue producers (or maybe just Hanoi and Ho Chi Minh city buyers initially).