

## **Viet Nam**

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### **Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces**

#### **Mid-term Review**

#### **Main report and appendices**

Mission Dates: 30 October - 17 November 2017

Document Date: 19/01/2018

Project No. 1100001664

Report No. 4667-VN

Asia and the Pacific Division  
Programme Management Department

**Abbreviations and Acronyms**

## A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Viet Nam	Environmental and Social Category:	C
Project Name:	Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces	Climate Risk Classification:	not available yet
Project Id:	1100001664	Executing Institution:	not available yet
Project Type:	Rural Development	Implementing Institutions:	not available yet
CPM:	Thomas Rath		
Project Director:	Mr. Huynh Nghia Tho - Tra Vinh PCU, Mr. Nguyen Khac Han - Ben Tre PCU		
Project Area:	Ben Tre: 30 communes in 8 districts, and in Tra Vinh: 30 communes in 7 districts.		

Approval Date	11/12/2013	Last audit receipt	28/06/2017
Signing Date	31/01/2014	Date of Last SIS Mission	14/03/2016
Entry into Force Date	31/01/2014	Number of SIS Missions	2
Available for Disbursement Date	24/09/2014	Number of extensions	0
First Disbursement Date	16/10/2014	Effectiveness lag	1 month
MTR Date	30/10/2017		
Completion Date	31/03/2020		
Financial Closure	30/09/2020		

### Project total financing

IFAD Financing breakdown	ASAP Trust Fund	\$12,000,136
	IFAD	\$22,000,077
Domestic Financing breakdown	Beneficiaries	\$7,768,000
	National Government	\$7,576,070
Co-financing breakdown		
Project total financing		\$49,344,283

### Current Mission

Mission Dates: 30 October - 17 November 2017

Days in the field: 19

Mission composition: Mr. Kees Blok, Team leader; Mr. Nguyen Ngoc Quang, Natural Resources and M&E Specialist; Mr. Roshan Cooke, IFAD Regional Climate Change and Environmental Specialist; Mr. Nguyen Thanh Tung, Institutions and Rural Finance Specialist; Mr. Phan Duy Toan, Infrastructure and Procurement Specialist; Mr. Fabrizio Vivarini, Financial Management Specialist; Ms Doan Phuong Lien, Interpreter; Mr Vu Pham Bang, Interpreter; Mr Thomas Rath, Country Director (15 – 17 November)

Field sites visited:

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

<b>Effectiveness and Developmental Focus</b>	<b>4</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	4
Nutrition		Performance of M&E System	5
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	5

<b>Sustainability and Scaling-up</b>	<b>4</b>	<b>Financial Management and Execution</b>	<b>5</b>
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	4
Partnership-building	4	Quality of Financial Management	5
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	5
Quality of Beneficiary Participation	4	Counterparts Funds	5
Responsiveness of Service Providers	4	Compliance with Loan Covenants	5
Environment and Natural Resource Management	5	Procurement	4
Exit Strategy	4		
Potential for Scaling-up	5		

## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The financing agreement for the 'Adaptation to Climate Change in the Mekong Delta' (AMD) Project in Tra Vinh and Ben Tre provinces was signed on 28 March 2014 and the Project is planned to be completed on 31 March 2020. The Project Development Goal is to achieve sustainable livelihoods for the rural poor in a changing environment, and the more specific project objective is to strengthen the adaptive capacity of target communities and institutions to better contend with climate change. The total programme cost for the two provinces is USD 49.4 million, of which the IFAD loan is USD 22 million; ASAP co-financing grant is USD 12 million; Government of Vietnam (GoV) contribution is USD 7.6 million; and beneficiary contribution is USD 7.8 million. Project activities in Ben Tre concentrate on 30 communes in 8 districts, and in Tra Vinh 30 communes in 7 districts.

The objectives of the Mid-Term Review (MTR) are to: (i) review current project implementation progress, in particular in respect of issues and agreed actions signalled in previous supervision and implementation support missions; (ii) align the design as needed to the current and future context of the programme, and; (iii) agree with the national and provincial authorities on priorities and next steps for ensuring full-scale implementation for achieving the project objective. This Aide-Memoire (AM) of the MTR presents findings and agreed actions for both provinces. The Project suggested assessing the merits of a 9-month extension of the implementation period, but this is outside the MTR's scope.

### Key Mission Agreements and Conclusions

In view of the need to enhance the Project's contribution to the long-term adaptive capacity in communities and institutions, the following strategic directions have been agreed to:

1. Project management will place more emphasis on the need to build long-term adaptive capacity in communities and institutions by focusing on the project objective and by continuing to strengthen decentralised implementation of activities contributing to this objective;
2. Technical assistance will be used more systematically, by retaining advisory capacity across both Provinces for key areas, such as: planning for climate change adaption; development and refinement of production models; enhanced cooperation between agencies, communities, groups and the private sector; collective economic development; value chain development; use of alternative investment options; better targeting and exit strategy;
3. An adjustment of the budget between categories and activities is required to reflect the need to strengthen adaptive capacity and to enhance development effectiveness. More resources are to be allocated to replication of Climate Change Adaptation (CCA) models and Public Private Partnerships (PPP) funding and to the provision of rural credit , along with a modest increase in resources for priority infrastructure:

Given a focussed and explicit management ambition; a better use of technical assistance and capacity building resources and a reallocation of the budget in line with the above, the Mission feels confident that the project performance will improve beyond its present moderately satisfactory level.

## D. Overview and Project Progress

The Mission appreciates the responsiveness of the Project to the actions agreed during the 2016 supervision mission and to the guidance provided by the February and June 2017 implementation support missions. In both Provinces, the rate of implementation has picked up; Districts and Communes are more strongly engaged in project implementation; and the community infrastructure and credit guarantee funds have been largely invested. As a consequence, implementation and disbursement show a positive trend. In Ben Tre, a new Project Director has taken command and several staff and position changes have taken place. Tra Vinh benefits from more continuity in staffing and management. The Mission feels that with able PCUs in both Provinces and well-established implementation arrangements; the PCUs can pursue a higher level of ambition and a stronger pace of implementation.

While achievements are striking, there are areas in which the Project needs to exert more efforts to fully achieve its objective of strengthened adaptive capacity in communities and institutions. The 2015 – 2016 salinity crisis supports the urgency for focusing more strongly on building adaptive capacities. Issues that preclude full effectiveness of the Project's achievements are:

1. Adaptation to anticipated climate change has been pursued, but the focus on building adaptive capacity needs to be strengthened – Individual project activities help diversify the income base for communities on the short-run; but attention needs to be given to building capacity in institutions and communities to identify and pursue livelihood alternatives, to land and water management plans and to investments in the face of a more severe future. This requires the further integration into the evolving SEDP planning and implementation processes of: climate scenarios, participatory scenario development (PSD) and disaster risk reduction; spatial and temporal hazard mapping for improved land-use zoning; refinement and new development of agriculture models and alternative livelihood options that can withstand multiple stresses; and new information flows including that to be provided by the automated salinity and water quality monitoring system (ASWQMS);
2. Available capacities at District and Commune level are mobilised but can be more optimally applied to the replication of agricultural models and value chain activities – groups formed for credit and savings are not systematically stimulated to engage in collective production and business activities; indigenous adaptation models and experience with the new models are to be analysed and replicated to diverse target groups; and early involvement of value chain partners is to become standard practice for all models;
3. Production models, once identified, are neither periodically reviewed vis-à-vis their effects on poverty alleviation and climate resilience; nor developed into integrated packages – to enhance development effectiveness, each model should address market opportunities, describe ways to target beneficiaries (either individually or as a collective); address financing needs and include the requisite technical know-how. Models should be grouped as a set of alternatives for the major farming systems in the Project area (saline, brackish and freshwater zones);

Knowledge management and decentralised planning processes - i.e. sub-component 1.1 – are not fully utilised to enhance implementation effectiveness (points b and c) and adaptive capacity (point a) – The Project used its technical assistance and capacity building resources for preparing plans and production models; but can make more use of these resources for periodic review and further development of the same

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 4

#### Justification of rating

While output targets are expected to be realised to a large extent, these do as yet not add-up well to the overall objective of a strong adaptive capacity of communities and institutions, especially in view of the long-term climate risks.

#### Log-Frame Analysis & Main Issues of Effectiveness

##### Component 1: Building Adaptive Capacity is moderately satisfactory

Sub-Component 1.1: Climate Change Knowledge Enhancement is moderately satisfactory

1. Evidence base for adaptation – Limitations include (i) partners involvement at provincial, district, and commune levels; (ii) analysis of existing local models/practices; (iii) research institutions involvement; (iv) use of cross-learning; (v) packaging models for different agro-ecological zones.
2. Water quality monitoring and reporting – Progress is one year behind and final delivery of a tested system is only foreseen by March 2018. This leaves only one year for institutionalising the system, which is a minimum. The ASWQMS is on a critical path.
3. Knowledge management and dissemination – Awareness of partners and beneficiaries on the Project, its objective of strengthening adaptive capacity and its approaches is still low. Project partners find it difficult to build coordinated action plans for their project related activities.

Sub-Component 1.2: Climate Informed Planning is moderately satisfactory

1. Climate-Informed Commune and District SEDPs – Challenges include: (i) capacity gaps in SEDP preparation; (ii) inadequate value chain coordination; and (iii) limited use of climate risks assessment for identification of adaptation measures.
2. Climate-informed Provincial SEDP – The Mission suggests using longer time horizons, scientific data on climate and disasters, participatory scenario development and geospatial planning tools. This helps SEDPs to develop land-use zoning, adaptation pathways and priority infrastructure investments.
3. Climate Change Policy Dialogue – DPI, supported by the Project, is to coordinate government and donor-funded CCA programmes in the province. Support to Tra Vinh DONRE in developing a groundwater management strategy and management plan should be explored.

##### Component 2: Investing in Sustainable Livelihoods is satisfactory

Sub-Component 2.1: Rural Finance for Resilient Livelihoods is satisfactory

1. Development of savings and credit groups – The Mission recommends to: (i) include more (near-)poor households and ethnic minorities (Tra Vinh) in SCGs; (ii) diversify modalities for repayments; and (iii) increase loan size and duration for members who have repaid previous loans. The Women's Unions (WU) should assist 'mature' SCGs to use the Adaptation Funds, as piloted in Tra Vinh.
2. MFI development: In Ben Tre: professionalisation has progressed well, but demand exceeds the available resources. In Tra Vinh steps are needed to segregate WDF functions from the WU; and to enhance capital to qualify for MFI registration.
3. Value Chain Financing – Collaboration between the AMD and potential partner banks has not materialised and requires follow-up.

Sub-Component 2.2: Investing in Climate Change Adaptation is satisfactory

1. Community Investment Fund –Most of the CIF has been depleted while investment demands from communes remain high. A revision of the cost sharing arrangements between Vietnam and IFAD is not recommended. Splitting larger works into consecutive contracts is to be discontinued
2. Adaptation Funds – A comprehensive support strategy for community groups (CIG/CG/SCG) is required focusing on: (i) better targeting to groups; (ii) better use of analyses of group characteristics; (iii) more use of the existing CSGs to reach target households; (iv) support to production and business skills; and (v) systematic use of extension approaches, including farmer to farmer and enterprise to farmer.
3. Public Private Partnership Fund – This progresses well but (i) technical support to the PPP winners requires strengthening and (ii) a full-fledged assessment of various PPP models is yet to be conducted.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Operation and maintenance</b>  Conduct O&M training for remaining project communes using the O&M guidelines developed by the PCU.	PCU Tra Vinh	09/2017

<b>Cross-learning Ben Tre – Tra Vinh</b> Organise cross-learning meetings and visits between two provinces (quarterly) to learn about the sub-component implementation	PCUs/DARDs/DPCs	12/2017
<b>Packages</b> Present models in packages per agro-ecological zone; thereby enhancing their utility for use by the extension services	PCUs/DARDs/DPCs	12/2017
<b>Experience sharing workshops and cross visits</b> Organise lessons-learned workshops/exchange visits for two provinces (Ben Tre-Tra Vinh) and between project and non-project communes to share experiences toward improvement of SEDP implementation.	PCU/DPI	03/2018
<b>CG classification</b> Define the support requirements for different CGs based on an evaluation and classification of groups	PCU/FU Tra Vinh	03/2018
<b>Adaptation fund Strategy development</b> Develop and implement a CFAF/CCAF implementation strategy focusing on (a) identification, selection and analysis of more CCA and pro-poor models, (b) effective dissemination of models coordinated at the District level, and (c) organise ToTs and subsequent farmer-to-farmer trainings on model replication	PCUs/DPCs	03/2018
<b>Regionalised Climate change scenario Development</b> Develop the Provinces' climate change scenarios to map key climate risks and the areas likely to be affected.	PCUs /DONREs	03/2018
<b>Technical assistance to PPP co-investors</b> Intensify technical assistance to the PPP co-investors, especially in terms of financial documentation, reporting and assets hand-over to co-investors	PCU/DPCs	06/2018
<b>KM programme intensification</b> Intensify the KM programme putting emphasis on (i) building the vision of partners and communities on adaptive capacity, (ii) building PCU and partner capacity to improve models, instruments and approaches based inter alia on monitoring information; (iii) promoting implementing partner initiative in coordination of project implementation	PCUs/line agencies/DPCs	06/2018
<b>Continued Climate Change Policy Dialogue</b> Assess and discuss how the AMD can help DPI to lead and coordinate the climate change response in the Provinces, including potential support to the preparation of the second Climate-informed Provincial SEDP 2021-2025	PCUs/DPIs	06/2018
<b>Development of CCA and DRM action plans for 2018-2020</b> Develop CCA and DRM action plans for 2018-2020, to be integrated into provincial SEDP using a long-term planning horizon to map the climate scenarios for the Province	PCU/DARD/DONRE Tra Vinh	06/2018
<b>Capacity building for SEDP implementation</b> Intensify technical assistance and training aimed at the SEDP process to enable communes / districts to effectively address long-term climate change vulnerabilities and development of climate smart value chains.	PCUs/DPIs/Implementing partners	06/2018



<b>ASWQMS action plan development</b>  Develop an action plan with concrete timeline for development and implementation of the ASWQMS	PCUs/DONREs/Consultant	09/2018
<b>Capacity building for model identification and selection</b>  Involve TA to help the PCU and project partners to develop an action plan for systematic model identification, selection, documentation, and replication.	PCUs/line agencies/DPCs	09/2018
<b>CIG disbursement speed up</b>  Speed-up Adaptation Fund disbursement by: (i) continue to capacitate district officials for CFAF grant management; and (ii) accelerate the grant competition process through lead farmer, Farmers' Union and Women's Union support to proposal preparation by CIGs/CGs and SCGs	PCUs/DPCs/FUs	09/2018
<b>ASWQMS operation and maintenance arrangement</b>  Tra Vinh PPC Designate the ASWQMS management agency. Two provinces accordingly capacitate staff for ASWQMS operation and maintenance	PPCs/PCUs/DONREs	09/2018
<b>Avoid split of infrastructure investment into small contracts</b>  Avoid splitting infrastructure investment into small contracts below the threshold for small-scale works	PCU Tra Vinh	11/2018
<b>Enhanced targeting</b>  Diversify products and their repayment modalities, inter alia by increasing loan size and duration for clients after two loan cycles.	PCUs, Women's Unions, WDFs	12/2018
<b>Increase poverty reduction impacts</b>  Assist the Women's Union to assist SCGs to enhance their capital base for investment in sustainable production models through the Adaptation Funds	PCUs, Women's Unions, WDFs	12/2018
<b>PPP assessment</b>  Conduct full-fledged process and impact assessment of PPP	PCU	04/2019
<b>Value chain financing</b>  Develop a strategy and work plan for involvement of bank credit to finance value chain development	PCUs	11/2019
<b>Increase WDF asset base</b>  Allocate resources to both WDFs in order to enhance lending capacity (Ben Tre) and assets base (Tra Vinh)	PCUs, PPCs WUs and WDFs	11/2019
<b>Increase WDF capacities for MFI operation</b>  Provide capacity support (national consultants, exchange visits to other Provinces) to build WDF capacity, including assistance to revision of operational manuals and to the application for MFI registration.	PCUs, PPCs WUs and WDFs	11/2019

## Development Focus

### Targeting and Outreach

Rating: 4

#### Justification of rating

The project instruments reach the target groups (approximately 30,000 HHs in two provinces), however participation of the poor, especially poor ethnic minorities, is limited (30% total beneficiaries). Targeting performance is periodically monitored with reliable database but the translation of information into concrete actions is still insufficient.

#### Main issues

*In provinces, targeting and outreach has improved since the previous supervision period. Initial surveys of key project instruments show positive results in terms of capacity building, empowerment, and increased income. The SEDP process is highly appreciated by partners and communities as an important planning tool to mobilise resources for local priorities. Project financing instruments including CFAF/CCAF, PPP, SCG, and CIF have capacitated participating households and increased their incomes. The mission notes that the instruments are not yet sufficiently effective in reaching out to the poor en masse, especially poor women. Both the planning and the financing instruments do not fully capture CC adaptation and resilience. Actions are included under 'effectiveness' and under 'monitoring and evaluation'*

## **Gender equality & women's participation**

**Rating: 4**

### **Justification of rating**

Project paid significant attention to facilitate the participation of women and they account for a significant number of beneficiaries (49% in Ben Tre, 51% in Tra Vinh). Project also addresses gender needs, and promotes gender equality and women empowerment through the Gender mainstreaming manual towards a target of 50% women participating in project activities. The gender-related impacts are likely to be sustainable

### **Main issues**

*The Project gender mainstreaming manual sets a target of 50% female participation in project activities in both provinces. In Ben Tre, the percentage of women participating in Project activities is 49%. The SEDP process in 150 communes in the province has involved 104,332 participants, of whom 51% were women. The CFAF has reached 1,707 members including 383 women members (22.4%). 1,442 SCGs have been established with participation of 5,824 members (85% women). Short-term training courses have reached a total of 11,039 farmers, including 68% women, while long-term training courses have reached some 2,239 farmers including 34% women. In Tra Vinh, women accounts for 51% of all project activities. Portion of women participating in SEDP is 36%. 52% of total beneficiaries in CCA fund are women. There are 7,549 female members participating in 1,185 SCGs, accounting for 100% women. Project capacity building activities have reached 60,586 women, accounting for 54% of total participants.*

*The mission notes that while the project gender mainstreaming efforts are adequate, greater attention needs to be paid to women as head of households and to Khmer women (in Tra Vinh). Knowledge enhancement and empowerment of women must be a priority if the Project wants to reduce poverty. Agreed actions are included under 'monitoring & evaluation'*

## **Agricultural Productivity**

**Rating: 4**

### **Justification of rating**

In two provinces, project statistics show that project activities lead to a moderate increase in agricultural productivity (10-20%) in the project target area. Few commodities including rice and sows are either showing a decrease in productivity or are not yet successful applied

### **Main issues**

*To date, in Ben Tre, project interventions have targeted 11 agricultural commodities in crop (3), livestock (5), and aquaculture (3). Project statistics shows that productivity of 10 out of 11 commodities is increased by 10-15%. The sow rearing activity, although showing positive production results, could not find a market and was cancelled. In Tra Vinh, there are 20 agricultural commodities targeted by the project including 11 crop, 5 livestock, and 4 aquaculture commodities. Project statistics show positive productivity increase of all the commodities by 15-20%.*

*Project specific contributions to productivity increase and commodity diversification include: (i) technical capacity building through government, enterprises, and farmer to farmer extension, (ii) infrastructure development (e.g. irrigation with increased irrigated areas), (iii) advanced CCA technologies (e.g. organic, water-saving irrigation) and CC-resilient varieties, and (iv) financial support through co-financing and lending mechanism (PPP, CFAF/CCAF, SCG). The MTR notes that the current project M&E system captures the increase of productivity per commodity by applying economic and financial analyses to each project instrument (PPP, CFAF/CCAF, SCG, and CIF). However, the system only captures the increase at household level which does not represent the productivity of the whole area well. Thus the project measurements on agricultural productivity and production diversification require appropriate sample size to confirm the project impact at commune level. To this extent, the project should consider adding productive increase and production diversification indicators to the assessments of CFAF/CCAF, CIF, PPP, SCG). Agreed action included under 'Monitoring & Evaluation'.*

## **Adaptation to Climate Change**

**Rating: 4**

### **Justification of rating**

Community resilience is enhanced by better planning; promotion of agricultural and non-agricultural production models, social networks and rural finance:

### **Main issues**

*Despite achievements, improvements have to be made to achieve the Project's objective of building climate-resilient communities and institutions. In preparation to the 2021 – 2025 provincial SEDP the following is needed: (i) introduction of longer time horizons (20, 40 and 60 years) to inform current 5-year plans with anticipated future climate and disaster scenarios; (ii) undertaking participatory scenario development (PSD) with local communities using credible future climate and disaster scenarios; (iii) adoption of geospatial planning*

tools for making the SEDP process a tool for land-use zoning and climate resilient investment decisions; and (iv) defining infrastructure needs that facilitate a transition towards resilient livelihoods.

The development, and replication of climate-resilient farming systems require further attention. For example, farmers who shifted from rice to crops such as chilli were better able to withstand the salinity disaster of 2015 and gained a substantial harvest and income. However, with the excessive rains in 2017 chilli production was affected, pushing farmers to adopt other- or multiple - alternatives. The multiple threats farmers face underline the need to promote climate-resilient farming systems rather than single sub-sector crop, livestock or aquaculture solutions. Considering that the approach of climate-resilient farming systems is a relatively new concept, further engagement of the research community and of technical assistance is urgently required

To facilitate the shift to a more holistic SEDP planning approach the respective Climate Change Coordination Offices (CCCO) in Ben Tre and Tra Vinh need to be capacitated with the necessary expertise and equipment, and technical assistance needs to be procured on climate and disaster oriented integrated land-use planning.

Agreed Action	Responsibility	Agreed Date
<b>Innovative model identification</b>  Prepare a competitive call for research proposals from knowledge centres and universities for the identification of next generation climate change adapted production models	Ben Tre PCU/DARD	06/2018

## b. Sustainability and Scaling up

### Institutions and Policy Engagement

Rating: 4

#### Justification of rating

AMD has contributed to development and institutionalisation of inter alia climate-based local planning procedures. Socio-economic planning is informed by local needs and makes (as yet limited) use of climate change evidence in priority setting. The impact of priority setting on budget allocation from national plans and strategies can be enhanced

#### Main issues

AMD in both Ben Tre and Tra Vinh has used its experience to influence national policies in agriculture and rural development. PCU in Ben Tre cooperated with the Ministry of Planning and Investment (MPI) in formulating Circular number 05/2017 "Guidelines for SEDP planning at commune level using resources from National Target Programmes". The PCU in Tra Vinh assisted the MPI in organising a consultation workshop to revise Government Decree number 151 on Collaborative Groups.

For policies at the local level, AMD has engaged in: (i) institutionalisation of the participatory SEDP at the communes and districts; (ii) implementation of the Agriculture Restructuring Strategy (ARS); (iii) implementation of the Government Decree number 210 for promoting the roles of private sector in agriculture and rural development through the PPP and the agriculture value chain methodology; and (iv) implementation of the Policy for Development of Cooperatives and Collaborative Groups.

The role of AMD in policy development can be strengthened in the following areas: (i) climate change adaptation policies; (ii) value chain development (one commune one commodity campaign) using AMD experience in VCAP, CFAF/CCAF, and PPP; (iii) comprehensive planning at commune level using the SEDP; and (iv) development of a policies to promote novel extension approaches, such as farmer to farmer extension.

### Partnership-building

Rating: 4

#### Justification of rating

The Project is implemented in close collaboration with government entities at Province, District and Commune levels and effective steps have been taken to set-up a meaningful collaboration. Partnership with the communities is shaped through the establishment of Common Interest Groups, Community Groups, Savings and Credit Groups and Infrastructure Supervision Boards, with explicit participation of poor, women and ethnic minorities. These groups are likely to continue to render services after project completion; but can be helped to become less reliant on government initiative by pursuing market linkages and access to diverse financial services.

#### Main issues

The cooperation between the PCUs and the government entities at different levels does not necessarily mean that joint action between government entities is strong; and in effect possible synergies between elements of the AMD programme are not realised. Limited involvement of groups established by the Women's Union and subsidies by the Adaptation Funds are a point in case.

With respect to beneficiary groups; there are risks in both provinces for sustainability of CGs which do not have strong market links, including farming contracts or delivery contracts with private enterprises and cooperatives. The successful implementation of the CG activities (co-funded by the Project Adaptation Funds) also requires a focus on agricultural technology that is affordable by the poor; extension services that effectively disseminate the merits of such technologies; and a realisation that the support rendered is a one-off boost for productivity, rather than a recurrent government subsidy.

*For the SCGs the issue is to combine the micro-finance service from WDF with the other (project) instruments including the Project Adaptation Funds to increase SCG members' investment in productive activities and appropriate collective actions. Agreed Actions are included under 'Effectiveness'*

## **Human and Social Capital and Empowerment**

**Rating: 5**

**Previous rating: 4**

### **Justification of rating**

Poor rural women and men have enhanced access to models for climate adapted production and to Project-funded financial services. Through the SEDP they participate in local decision-making processes. New organisations were set-up and supported.

### **Main issues**

*The project has strengthened human and social capital of local communities in both Ben Tre and Tra Vinh provinces. Key project instruments including SEDP, CIF, PPP, CFAF/CCAF, and SCG play important role in engaging and empowering local communities in decision-making process. The commune SEDP planning methodology has facilitated the participation of poor women and ethnic minority households. The project has established CGs and SCGs. Members of the SCGs assist each other in ensuring repayment of their loans to the WDF. Members of CGs promote collective actions in procurement of agricultural inputs, introduction of CCA models and technologies, co-investment in productions of agricultural products and joint sale of produce.*

*However, (i) a number of CGs which received Adaptation Funds are in fact household businesses that have only a modest spin-off for the poor households they engage as labour; (ii) a significant number of poor and near-poor households are still left outside the existing CGs and SCGs which requires a better targeting by WDF and district agencies; and (iii) the number of poor and near poor benefitting from project activities is still limited, requiring more attention by AMD. Agreed Actions are included under 'Effectiveness'*

## **Quality of Beneficiary Participation**

**Rating: 4**

### **Justification of rating**

Beneficiaries participate in all commune-level project activities, with minor concerns on participation of poor and ethnic minorities. Women's participation is generally good.

### **Main issues**

*In Tra Vinh, AMD has mobilised participation by 7,659 households (17% are poor) in the SEDP planning activities, 7,649 members (29% poor and near-poor, 100% women, 33.6% ethnic minority) in the SCGs, 2,580 households (71% poor/near-poor, 52% women and 51% Khmer ethnic minority) in CGs benefitted from CFAF, 2,681 poor households benefitted from infrastructure schemes. In Ben Tre, 17,162 households (33% poor, 86% women) participate in SCGs; 1,707 households (27% women, 84% poor and near poor) participate in the CGs which received CFAF grant supports. Beneficiary households actively engage in the SEDP planning process, CCA pilot implementation, CG and SCG association and meetings, and in development of infrastructure schemes funded by CIF.*

*The mission notes that there is rooms to increase the quality of beneficiary participation through: (i) further elaboration of SEDP planning guidelines for separate meetings by poor households and for involvement of the private sector; (ii) selection of CCA models should better reflect the poor's capacities to replicate these CCA models; (iii) loan durations and repayment modalities of the WDF should be diversified to suit agricultural practices of poor households; and (iv) CFAF/CCAF application procedures should be simplified to enable the CG's leaders and members to prepare the proposals by themselves. Agreed Actions included under 'effectiveness'.*

## **Responsiveness of Service Providers**

**Rating: 4**

**Previous rating: 5**

### **Justification of rating**

Services rendered to the communities by consultants, contractors, decentralised governments and government agencies and by the private sector are – to a fair degree – aligned to the plans expressed in the SEDPs. Improvements can be made to the poverty focus of agricultural models; the private sector involvement in planning and adaptation activities; and to the management of the automated salinity and water quality monitoring system's TA contract.

### **Main issues**

*Provincial/district DARDs and their agricultural extension service have demonstrated agricultural production models, but their potential for replication is constrained by an insufficient coordination of their replication by resources available to the local levels, i.e.: National Target Programme for New Rural Development, Sustainable Poverty Reduction Programme and AMD itself. Moreover, existing and new models need to be made more accessible to the rural poor.*

*Private sector enterprises are engaged in making the rural economy more resilient through the PPP-facility, but they are insufficiently involved in developing and implementing the value chain action plans and in the replication of tested production models.*

*Significant delays incurred in implementation of ASWQMS TA contract due to client's limited experience on procurement and management of international TA contract, slow progress of consultant's works, time-consuming process for revisions and finalisation of consultant's reports, poor communication by the consultant and complexity of the assignment.*

<b>Environment and Natural Resource Management</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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#### Justification of rating

Due to dynamic response of production practices to the climate-related changes, rural livelihoods have so far adapted to the changing environment. The Project contributes to this and project investments have adhered to high-standard environmental; ensuring that there is no negative impact on the environment

#### Main issues

*There has been some progress in this area as several of the climate resilient models require organic production practices. The organic coconut growers CIG and the organic shrimp/rice model are good examples of a shift to organic inputs and integrated pest management. The off-farm livelihood activities such as garment manufacture, broom making, basket weaving, bonsai plants etc. are helping households disengage from farming and are thereby decreasing pressure (and dependency) on land resources. Some of the research activities are pursuing more environmentally sound technologies and approaches such as the following: i) Research on disease control in shrimp (bacteria) using medicinal properties of seaweed; ii) Biological management of pest attacks against cyperus spp. (sedge) that grow in saline water – a product that has good economic value; and iii) Spirulina (blue-green microalgae) cultivation in fish pond waste water to harvest nutrients – the spirulina is turned into fish and livestock feed further reducing pressure on aquatic and land resources. Further improvements could be made by supporting production of organic inputs, and promotion of climate-resilient farming systems that contribute to improved soil fertility, water and waste management.*

*Further guidance is included in the section on 'rating 7 – adaptation to climate change'.*

<b>Exit Strategy</b>	<b>Rating: 4</b>
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#### Justification of rating

The decentralised planning procedure for communes and districts introduced by the Project is adopted by the PPC and is likely to continue. Rural finance is likely to continue with some concerns over the continued use of other financial instruments (matching grants, competitions). Beneficiary ownership is vested in groups, enterprises and communes respectively. A post-project sustainability strategy is available in draft.

#### Main issues

*The decentralised plans are only to a degree informed by climate information and more efforts are needed to strengthen this aspect; and to include a longer-term perspective into the plans. The draft post-project sustainability strategy requires further development to achieve a sustainable strengthening of adaptive capacity in institutions and communities. Annotation: optional - suggested max. 1500 characters*

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Exit Strategy</b>  Complete the exit strategy, addressing the project objective of strengthening adaptive capacity	PD/PCU	12/2017

<b>Potential for Scaling-up</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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#### Justification of rating

Commune and district level planning is applied elsewhere, inside and outside IFAD's portfolio. Climate change-based planning has the active interest of government and development partners. Approaches are grafted onto Vietnam's governance structure and the scaling-up potential exists therefore mainly within country.

#### Main issues

*The ASWQMS – presently faced with delays in implementation – is pioneered by AMD but its replication / follow-up by other agencies is neither actively pursued nor automatically taking place. ASWQMS is relevant for other Delta areas (e.g. Myanmar). The issue needs to be addressed once the development of the system has produced its first concrete results.*

## c. Project Management

<b>Quality of Project Management</b>	<b>Rating: 4</b>
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#### Justification of rating

Management shows a steady hand in realising project activities and in delegating tasks to project partners. The PCU has addressed



most points raised by earlier missions and is supported reasonably well by its PSC. Substantial changes in the PCU staffing are, however, a point of concern.

### Main issues

*In order to be more effective in achieving the project development objective, the PCU needs to advocate more strongly the objective of strengthening adaptive capacities in communities and institutions; and to orient project partners and activities towards achieving that objective. In order to foster greater cooperation between project partners; the PCU itself needs to show exemplary team work. This requires the present focus on achieving tasks to be amplified to a focus on achievement of development effectiveness. Doing so requires managers of (clusters of) activities to involve financial management staff, procurement staff and M&E staff in reviewing and planning their activities*

Agreed Action	Responsibility	Agreed Date
<b>Reallocation of budget</b>  Propose formally for a reallocation of funds between budget categories to IFAD	MOF/PPC	12/2017

### Knowledge Management

**Rating: 4**

#### Justification of rating

While targets in terms of project manuals prepared and distributed, scheduled coverage on CC adaptation by provincial television and newspapers, brochures and leaflets produced and distributed, learning route, study tours and training sessions are largely met; the awareness of partners and beneficiaries on the project, its objective of strengthening adaptive capacity and its approaches is still low.

### Main issues

*Project partners, especially at district level, find it difficult to build coordinated action plans for the activities they are in charge of, since they lack understanding and information about project instruments and financial resources. Exchange of information between the two Provinces would help demonstrate good practices, ready for adoption by the other Province. As an example: Tra Vinh's demand for information on acceptable salinity levels for different crops can be met by the information produced in Ben Tre. Actions to enhance knowledge management, as well as to build the role of project partners in applying lessons to a more effective use of project resources are included under 'Effectiveness'.*

### Value for Money

**Rating: 4**

#### Justification of rating

Following the further decentralisation of implementation, the value that is begot for the mresources invested has increased. The project is catching-up on the earlier delays in implementation. Cost reductions in project management, consultancy and capacity building allow reallocating resources towards investment in rural development activities.

### Main issues

*Now that more resources become available for investing in rural development – i.e. infrastructure, rural credit, CCA production models and PPPs – two remaining inefficiencies need to be addressed: The project needs to more explicitly address climate change adaptation capacity and the pace of implementation has to go up. For both aspects, good cooperation between the various implementing agencies is crucial. Field experience with respect to the CCA models needs to feed back into the documentation (and further replication) of models; value chain and rural finance perspectives need to be integrated in all models; and synergies between infrastructure investment, rural credit, adaptation and PPP funds needs to be enhanced. DARD at provincial level needs to ensure the quality of the CCA models, whereas the lead agencies for implementation (i.e. the districts) need to ensure cooperation among the different modalities of the Project. Agreed actions are included under 'Effectiveness'.*

### Coherence between AWPB and Implementation

**Rating: 4**

#### Justification of rating

The ODA budget cap set by the Government of Vietnam caused delays in disbursement, especially in Ben Tre (63%). The linkage between budget and results in sub-component 1.1 is not fully clear. The ASWQMS is already one year behind the schedule

### AWPB Inputs and Outputs Review and Implementation Progress

*In two provinces, the AWPB 2017 received IFAD no-objection in January 2017, and PPC approval in February 2017. The revised AWPB2017 was submitted again to IFAD in September and received PPC approval in October, 2017. Priority investments in 2017 include: (i) model identification and selection; (ii) awareness raising and capacity building for partners and communities on CCA, DRM, agricultural techniques, and agricultural productions and planning skills; (iii) Implementation of the SEDP in 259 project and non-project communes (150 in Ben Tre, 109 in Tra Vinh); (iv) rural finance, CFAF/CCA and PPP implementation and expansion; (iv) CIF implementation with a greater focus on the linkage to CCA and value chain development; and (v) conducting required evaluations including the mid-term RIMs survey. The mission notes that most of project activities are on track, except the water and salinity*

monitoring system in component 1.

The coherence between planned and implemented activities has been maintained. The financial performance of the Project is generally consistent with the analysis of the project's physical progress.

#### Performance of M&E System

Rating: 5

##### Justification of rating

The M&E system is in place with clear guidance and templates, and competent staff at all levels. MIS is regularly maintained with monthly database updates. Progress reports with outcomes, outputs, activities are periodically developed (quarterly within project, and bi-annually to IFAD). M&E system contributes to decision making process by the management unit.

##### M&E System Review

Despite staff relocation in both provinces, the M&E system continues to rate satisfactory. Achievements include: (i) update of project LogFrame indicators to measure the activities of the Project; (ii) capacity building for M&E staff at provincial, district, and commune levels; and (iii) implementation of several evaluations and surveys (pre-midterm survey, CCA evaluation, CIG classification in Ben Tre) providing important information to project management for those project activities that started producing tangible outcomes and impacts (e.g. PPP, Adaptation Funds, CIF, and rural finance). The Mission notes that the effects and impacts measured by the M&E system are not well reflected upon in reports and management meetings, especially not at district and commune levels. M&E information must be used to enhance implementation effectiveness.

The Mission recommends the Project to (i) periodically update the ORMS LogFrame for better project management, (ii) conduct evaluations of all project instruments to provide recommendation for improvement, and (iii) apply a sharper focus on impacts on poverty and climate resilience and on replication of successes, as recommended by the previous supervision mission

#### Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating: 5

##### Justification of rating

Project implementation has not deviated from the original climate change adaptation and environment orientation.

##### SECAP Review

AMD was designed prior to the SECAP being made mandatory. However, the project was designed based on an extensive environment and climate change assessment (ECCA). The ENRM category remains as B considering that there are no major negative impacts from project interventions on the environment and natural resources.

## d. Financial Management & Execution

#### Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$7,768,000		
	National Government	\$7,576,070		

#### Acceptable Disbursement Rate

Rating: 4

##### Justification of rating

As of 20th October 2017, the cumulative disbursement from IFAD financing was SDR 9,989,715 of which SDR 7,741,850 under the loan and SDR 2,247,866 under the grant financing, including the initial advances of SDR 1,860,000 (USD 2,618,167) and SDR 690,557 (USD 982,363). In terms of aggregate disbursement, the Project received 45% of the total IFAD financing at the time of this MTR (54% of loan financing and 29% of grant financing). The total disbursement will increase to SDR 11,537,104 (52% of total financing) if considering the amount of the pending WAs submitted to IFAD but not yet processed; this leaves SDR 10,632,896 (equivalents of USD 14.9 million approximatively) still available at IFAD to be accessed by the Project.

##### Main issues

The loan performance has been positive in both provinces with Tra Vinh receiving 58.5% (satisfactory) and Ben Tre 49% (moderately satisfactory) of the total loan proceeds, as compared to an indicative project disbursement profile of 60% at year 4. This is mainly due to the good performance of loan-funded activities under categories I 'Works' and V 'Credit and Guarantee Funds'. On the other hand, the performance of category III 'Consultancies', IV 'Training' and "VI b Grant and subsidies under PPP facilities" are below par in both loans.

The grant performance is still moderately unsatisfactory in both provinces. Tra Vinh received SDR 1.3 million and Ben Tre SDR 934,000 representing 33.4% and 24% of the grant proceeds, respectively. In this case, the Project performed relatively well under category VIa "Grant and subsidies for CCA" which achieved 43% of the total disbursement for this category; but all the other cost categories performed unsatisfactorily. The turnover of the grant WAs has been affected by the low implementation rate of grant programmes; Ben Tre PCU submitted 7 WAs at the average of one WA every 6 months and Tra Vinh submitted 13 WAs at the average of 3.5 months.

Despite the low performance of the grants, the project's disbursement rate has remarkably increased during the years 2016 and 2017 as compared to the figures reported by the supervision mission in February 2016 (USD 3,557,000 only or 7.2% of total IFAD financing).

## Fiduciary Aspects

### Quality of Financial Management

Rating: 5

#### Justification of rating

AMD's FM carries-out its functions and meets fiduciary requirements. Accounting systems and internal controls are reliable and accurate; use of an FMIS in all project implementation units from PCU to commune is best practice. DAs and project accounts ensure traceability of donor's funds. FM functions are consistent with the decentralised structure. The internal control systems are compliant with PPC's requirements, ensure segregation of duties and provide PD, PPC's Treasury and Finance Departments with effective control over expenditures. All payments are processed through the PPC's Treasury Department and mirrored in the FMIS. FM operations undergo an annual internal audit by the provincial Department of Finance. Audit opinions are unqualified and management letters do not indicate internal control weaknesses. The authorised allocation of USD14.9 mill. has been accounted for and reconciliations thereof is done well.

#### Main issues

In Tra Vinh province, dedicated PAs are operating at the Provincial implementing agencies (DPI, DoNRE, DARD and CCCO). Differently from the Tra Vinh, the Ben Tre Provincial implementing agencies receive IFAD financing in a multi-donor account; reconciliation of account are performed on annual basis. The Mission noted the following shortcomings in the funds flow:

- Ben Tre. Due to the late preparation of the Loan WA No. 9 and 10, the Project fell short of funds in August 2017 and borrowed USD 440,723 from the provincial budget. The regularity of the cash flow is expected to be re-established once funds from WA No. 12 (submitted October 2017) are received. The DAs uthorised allocation should be increased in order to ensure the continuous availability of funds until project completion;
- Tra Vinh. A high level of liquidity is mainly explained by the fact that a balance of USD 455,987 is owed to WDF for expenditures incurred in the year 2016. The Project explained that the amount will be transferred to WDF in 2018.

The disalignment between approved AWPBs and annual budget allocation released by the provincial DPIs represents the main risk for the flow of funds and timely implementation of project activities. The ODA funding envelope is approved by the National Parliament on annual basis. The provincial DPIs release annual budget allocations which authorise the project to incur expenditures within the set allocation. There are instances where the budget allocation was significantly different from the approved AWPBs. Specifically, the 2017 annual budget allocation released by Ben Tre provincial DPI was VND 72.2 billion, representing 67% of the approved AWPB (62% for IFAD financing and 80% for GoV contribution). Similarly, the 2016 budget allocation released by Tra Vinh provincial DPI was less than 50% of the approved AWPB. The unbalance between the DPI's annual allocations and AWPBs puts at risk the timely and effective roll out of project activities.

Agreed Action	Responsibility	Agreed Date
<b>Increase DAs authorised allocation</b>  Approach MoF to increase the loan and grant authorised allocation to USD 2.2 million and USD 1 million respectively, in compliance to the request submitted by IFAD on the date 22nd April 2017	PCUs / PPCs / MoF	11/2017
<b>Provincial advance reconciliation</b>  Pursue Provincial implementing agencies to prepare a semi-annual reconciliation for loan and grant funds advanced by the Project	Ben Tre PCU and implementing agencies	12/2017
<b>Enhance the quality of FM monitoring and reporting</b>  Prepare the following additional financial reports: Semi-annual financial performance by financier by component and sub-components; Semi-annual financial performance by implementing agency, districts and communes	Both PCUs	12/2017
<b>Annual budget allocation by DPIs</b>  Ensure the alignment between approved AMD AWPB 2018 and DPI budget allocation	PCUs / PPCs	12/2017

### Quality and Timeliness of Audit

Rating: 5



### Justification of rating

The two PCUs submitted audit reports covering the period from inception to 31 December 2015 and from 1 January to 31 December 2016, respectively. The financial audits were conducted according to IFAD accepted ToRs and audit reports are unqualified, were submitted timely and are accepted by IFAD.

### Main issues

None.

<b>Counterparts Funds</b>	<b>Rating: 5</b>	<b>Previous rating: 3</b>
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### Justification of rating

Overall funding likely to face only minor problems. Provision for at least 80% of the required funds has been made, and funds are released on time.

### Main issues

*In total, GoV allocated VND 40.9 billion to the Project as compared to the amount of VND 51.5 billion requested by the two PCUs (88%). In Ben Tre, in 2017, the GoV committed and released a total amount of VND 24.5 billion representing 80% of the total contribution of VND 30.5 billion envisaged in the AWPB. The current expenditures from the counterpart financing amounts to VND 18.6 billion or 76% of the counterpart funds released in 2017. In Tra Vinh, the Government committed and released VND 19.2 million against the amount of VND 21 billion envisaged in the AWPB (90%). The amount was made available to the Project in January 2017. The current expenditures from the counterpart financing amounts to VND 7.1 billion or 43% of the funds released in 2017. The percentage of counterpart expenditures is expected to increase significantly by the end of the year as funds transferred to the communes for infrastructure works will be fully used and accounted for.*

*In Ben Tre, beneficiaries' contribution in 2017 amounts to VND 19.6 billion or 86% of the annual estimation. In term of cumulative contribution, beneficiaries provided a total amount of VND 41.1 billion being 25% of the total contribution estimated at project design. This is a marked increase compared to the data reported in the previous supervision mission (USD 103,800). In Tra Vinh, the budgeted beneficiary contribution for 2017 was VND 28.7 billion and the reported contribution is VND 18.1 billion which represents 63% of the initial budgeted amount. The actual beneficiary contribution for infrastructure works (currently at 4%) will be recorded when the work is completed.*

<b>Compliance with Loan Covenants</b>	<b>Rating: 5</b>
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### Justification of rating

The Project complies with the financing covenants included in the Section B and E of the Financing Agreement

### Main issues

None

<b>Procurement</b>
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<b>Procurement</b>	<b>Rating: 4</b>
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### Justification of rating

Application of procurement procedures is in general transparent and in line with the procurement plan. Procurement and implementation of some consultancy services and work contracts was delayed, especially in Ben Tre.

### Procurement Review

*Both PCUs have prepared the 2017 AWPB and Procurement Plan in detail. The revised AWPB 2017 and Procurement Plan were submitted to IFAD in August (Tra Vinh) and September 2017 (Ben Tre). A random check of procurement and contract documents at PCUs and communes visited by the Mission show the Project complied with the project procurement manual and that procurement records and contract documents are maintained and regularly updated. Whereas Tra Vinh kept all infrastructure work contracts below the IFAD prior review threshold, so that the shopping method could be applied for procurement of work contracts, in Ben Tre 6 works contracts were subject to prior review. Ben Tre applied the force account method for 5 small works contracts*

*The PCUs support and oversee procurement activities carried-out by implementing agencies and CDBs. There are constraints in recruitment of individual consultants, especially in Ben Tre. In order to attract more diverse applications from individual consultants, the Project should advertise its procurement notices more widely and send invitation letters to potential candidates found in existing networks. In order to retain well-qualified technical assistants, the PCUs should establish a shared pool of trusted technical assistants and apply joint selection. There are substantial delays in procurement and implementation of contracts for development of the ASWQMS. Some community infrastructure works are behind schedule due to scarcity of on-site construction material. In Tra Vinh, some*

documents such as procurement notices and contract documents were not properly recorded and stored.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Individual consultant selection</b>  Advertise widely on project website and other public media such as National Procurement Network/ “DauThau” newspaper or www.ngocentre.org.vn in addition to sending invitation letters to potential candidates for individual consultant selection.	PCU	11/2017

# F. Relevance

Relevance	Rating: 5
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## Justification of rating

The overall project design continues to be relevant to the needs of the target groups and follows logically from Government and IFAD policies. The combination of interventions is appropriate but their exact mix can be more effectively aimed at strengthening adaptive capacity in institutions and communities.

## Main issues

*The allocation for infrastructural works is – at halfway point – largely depleted, while substantial savings are made on technical assistance and capacity building. The unallocated resources are still untouched. Although a rebalance in favour of infrastructure is proposed by the PCUs, the deliberations during the MTR have also underlined (i) a need for further investment in adaptation capacities as a key condition for the development of decentral plans that are responsive to the challenges of climate change (which would include inter alia infrastructure); (ii) a need to allocate additional funds to further roll-out and target adaptation-related production models*

G. Project Modifications

Responsibility	Modification Type	Description
Country Director	Reallocation	A reallocation of resources between categories is proposed, whereby a larger share of the budget is allocated to investments in community infrastructure, rural credit, climate adaptation and public-private partnership

## H. Lessons Learned

### The Public Private Partnership instrument

The Project funds for Public Private Partnerships (PPP) is an innovative instrument through which enterprises and farmers benefit from technical and financial supports of the project. Out of eight PPPs implemented to date, four are investing in coconut value chain and benefit about 1000 HHs. Enterprises received technical and financial supports from the project through a co-financing mechanism. In exchange, enterprises sign contract with farmers as input suppliers, and recruit local people as workers for the enterprises.

Achievements of this practice include: (i) diversification of coconut products, making use of the large potential for by-products, which often were thrown away before; (ii) expansion of market for coconut; (iii) building capacity of enterprises through market and value chain training activities; (iv) security for coconut producers through contract farming; (v) generation of permanent and seasonal jobs for farmers; and (v) an increase in profit and income for enterprises and farmers respectively. The PPP instrument is rolled-out to all IFAD projects in Vietnam and mainstreamed in the Government revised Decree 210 on PPP.

### Better resource integration and private engagement in Socio-economic development plans (SEDP)

SEDP is the innovative planning method that improves planning capacity of Commune, District and Province government staff and helps mobilise resources for prioritised investments. Areas where SEDP complements and improves the current GoV development planning practices include (i) a better integration of local resources for poverty reduction and economic development targets; (ii) more active participation of enterprises in the planning and implementation; and (iii) a strong linkage between planning and implementation processes at the Commune and District level.

### More emphasis on Climate Change Adaptation in implementation

Although the Project's Adaptation Fund's co-financing instrument provided initial success in terms of productivity and profitability; the models that were financed did not perform well under severe weather extremes including drought and flood. The Project could achieve a more significant climate change adaptation success if: (i) systematic research into climate change and disaster risks would take into account local/regional micro climates, (ii) Disaster risk and climate change adaptation scenarios were integrated in Socio-economic Development Plans and Value Chain Action Plans to better guide the Project Adaptation Fund investments; and (iii) agencies, institutions and provinces would interact more strongly during the identification and selection of viable CCA production models.

## I. Agreed Actions

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Operation and maintenance</b>  Conduct O&M training for remaining project communes using the O&M guidelines developed by the PCU.	PCU Tra Vinh	09/2017
<b>Increase DAs authorised allocation</b>  Approach MoF to increase the loan and grant authorised allocation to USD 2.2 million and USD 1 million respectively, in compliance to the request submitted by IFAD on the date 22nd April 2017	PCUs / PPCs / MoF	11/2017
<b>Individual consultant selection</b>  Advertise widely on project website and other public media such as National Procurement Network/ "DauThau" newspaper or www.ngocentre.org.vn in addition to sending invitation letters to potential candidates for individual consultant selection.	PCU	11/2017
<b>Annual budget allocation by DPIs</b>  Ensure the alignment between approved AMD AWPB 2018 and DPI budget allocation	PCUs / PPCs	12/2017
<b>Packages</b>  Present models in packages per agro-ecological zone; thereby enhancing their utility for use by the extension services	PCUs/DARDs/DPCs	12/2017
<b>Cross-learning Ben Tre – Tra Vinh</b>  Organise cross-learning meetings and visits between two provinces (quarterly) to learn about the sub-component implementation	PCUs/DARDs/DPCs	12/2017

<b>Exit Strategy</b> Complete the exit strategy, addressing the project objective of strengthening adaptive capacity	PD/PCU	12/2017
<b>Reallocation of budget</b> Propose formally for a reallocation of funds between budget categories to IFAD	MOF/PPC	12/2017
<b>Provincial advance reconciliation</b> Pursue Provincial implementing agencies to prepare a semi-annual reconciliation for loan and grant funds advanced by the Project	Ben Tre PCU and implementing agencies	12/2017
<b>Enhance the quality of FM monitoring and reporting</b> Prepare the following additional financial reports: Semi-annual financial performance by financier by component and sub-components; Semi-annual financial performance by implementing agency, districts and communes	Both PCUs	12/2017
<b>Adaptation fund Strategy development</b> Develop and implement a CFAF/CCAF implementation strategy focusing on (a) identification, selection and analysis of more CCA and pro-poor models, (b) effective dissemination of models coordinated at the District level, and (c) organise ToTs and subsequent farmer-to-farmer trainings on model replication	PCUs/DPCs	03/2018
<b>CG classification</b> Define the support requirements for different CGs based on an evaluation and classification of groups	PCU/FU Tra Vinh	03/2018
<b>Experience sharing workshops and cross visits</b> Organise lessons-learned workshops/exchange visits for two provinces (Ben Tre-Tra Vinh) and between project and non-project communes to share experiences toward improvement of SEDP implementation.	PCU/DPI	03/2018
<b>Regionalised Climate change scenario Development</b> Develop the Provinces' climate change scenarios to map key climate risks and the areas likely to be affected.	PCUs /DONREs	03/2018
<b>Development of CCA and DRM action plans for 2018-2020</b> Develop CCA and DRM action plans for 2018-2020, to be integrated into provincial SEDP using a long-term planning horizon to map the climate scenarios for the Province	PCU/DARD/DONRE Tra Vinh	06/2018
<b>KM programme intensification</b> Intensify the KM programme putting emphasis on (i) building the vision of partners and communities on adaptive capacity, (ii) building PCU and partner capacity to improve models, instruments and approaches based inter alia on monitoring information; (iii) promoting implementing partner initiative in coordination of project implementation	PCUs/line agencies/DPCs	06/2018
<b>Continued Climate Change Policy Dialogue</b> Assess and discuss how the AMD can help DPI to lead and coordinate the climate change response in the Provinces, including potential support to the preparation of the second Climate-informed Provincial SEDP 2021-2025	PCUs/DPIs	06/2018

<b>Capacity building for SEDP implementation</b> Intensify technical assistance and training aimed at the SEDP process to enable communes / districts to effectively address long-term climate change vulnerabilities and development of climate smart value chains.	PCUs/DPIs/Implementing partners	06/2018
<b>Technical assistance to PPP co-investors</b> Intensify technical assistance to the PPP co-investors, especially in terms of financial documentation, reporting and assets hand-over to co-investors	PCU/DPCs	06/2018
<b>Innovative model identification</b> Prepare a competitive call for research proposals from knowledge centres and universities for the identification of next generation climate change adapted production models	Ben Tre PCU/DARD	06/2018
<b>Capacity building for model identification and selection</b> Involve TA to help the PCU and project partners to develop an action plan for systematic model identification, selection, documentation, and replication.	PCUs/line agencies/DPCs	09/2018
<b>ASWQMS operation and maintenance arrangement</b> Tra Vinh PPC Designate the ASWQMS management agency. Two provinces accordingly capacitate staff for ASWQMS operation and maintenance	PPCs/PCUs/DONREs	09/2018
<b>CIG disbursement speed up</b> Speed-up Adaptation Fund disbursement by: (i) continue to capacitate district officials for CFAF grant management; and (ii) accelerate the grant competition process through lead farmer, Farmers' Union and Women's Union support to proposal preparation by CIGs/CGs and SCGs	PCUs/DPCs/FUs	09/2018
<b>ASWQMS action plan development</b> Develop an action plan with concrete timeline for development and implementation of the ASWQMS	PCUs/DONREs/Consultant	09/2018
<b>Avoid split of infrastructure investment into small contracts</b> Avoid splitting infrastructure investment into small contracts below the threshold for small-scale works	PCU Tra Vinh	11/2018
<b>Enhanced targeting</b> Diversify products and their repayment modalities, inter alia by increasing loan size and duration for clients after two loan cycles.	PCUs, Women's Unions, WDFs	12/2018
<b>Increase poverty reduction impacts</b> Assist the Women's Union to assist SCGs to enhance their capital base for investment in sustainable production models through the Adaptation Funds	PCUs, Women's Unions, WDFs	12/2018
<b>PPP assessment</b> Conduct full-fledged process and impact assessment of PPP	PCU	04/2019
<b>Value chain financing</b> Develop a strategy and work plan for involvement of bank credit to finance value chain development	PCUs	11/2019
<b>Increase WDF asset base</b> Allocate resources to both WDFs in order to enhance lending capacity (Ben Tre) and assets base (Tra Vinh)	PCUs, PPCs WUs and WDFs	11/2019

<b>Increase WDF capacities for MFI operation</b> Provide capacity support (national consultants, exchange visits to other Provinces) to build WDF capacity, including assistance to revision of operational manuals and to the application for MFI registration.	PCUs, PPCs WUs and WDFs	11/2019
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# Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces

## Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members			5							
	1.a Corresponding number of households reached							RIMS report			
	Non-women-headed households			30000	1571	1571	5.2%				
	Women-headed households				275	275					
	1 Persons receiving services promoted or supported by the project										
	Indigenous people				7371	7371					
	Males			65000	4851	4851	7.5%				
	Females			60000	2536	2536	4.2%				
Goal Sustainable livelihoods for the rural poor in a changing environment	40% reduction in the prevalence of child malnutrition							Baseline studies, Project mid-term evaluation, & Project completion evaluation			
	reduction in malnutrition			40							
	30,000 poor and near poor HHs with at least 25% improvement in household assets ownership index							Baseline studies, Project mid-term evaluation, & Project completion evaluation			
	Households			30000		9846	32.8%				

	60% poverty reduction in project communes						Business enterprise records <input type="checkbox"/> CPRP annual reports		
	poverty reduction				23	23			
	poor				20344	20344			
	Females				7444	7444			
<b>Objective</b> Adaptive capacity of target communities and institutions to better contend with CC strengthened	100% of provincial communes and districts preparing and implementing annual climate- informed, participatory market oriented plans						DoNRE & DPI annual reports; Project M&E system; VBARD, VPSP and WU records; Project baseline studies, mid-term & completion evaluations		
	provincial communes				92	92			
	At least 30,000 poor smallholder HHs members whose climate resilience has been increased 30%						DoNRE & DPI annual reports; Project M&E system; VBARD, VPSP and WU records; Project baseline studies, mid-term & completion evaluations		
	Households			30000	353	353		1.2%	
	At least \$30 million invested in profitable climate resilient infrastructure, farming systems and enterprises in project communes						DoNRE & DPI annual reports; Project M&E system; VBARD, VPSP and WU records; Project baseline studies, mid-term & completion evaluations		
	investment in climate resilient infrastructure			30000	28	28		0.1%	

<b>Outcome</b> Building Adaptive Capacity. A comprehensive agriculture sector CC adaptation management framework operating with participating communities, institutions and provinces	At least 15 different viable pro-poor climate resilient farming system packages, each adopted by more than 400 poor & near poor HHs							DAD, DoNRE and TVU annual reports; Project M&E system; Project baseline studies, mid-term & completion evaluations; Post training community surveys and focus group discussions			Integrated disaster risk management & vulnerability reduction planning will not be effectively integrated into village-, commune- and district-level planning (R) Government issues enabling decrees for integration of CC into SEDP (A) Inter-institutional cooperation & articulation is maintained & reasonably effective (R)
	pro-poor climate resilient farming system packages			6000	10	10	0.2%				
	At least 80% of provincial communes and districts have adopted a community-based disaster risk management plan and community adaptation plan										
	communes			80	36	36	45.0%				
<b>Output</b> Participative development of gender sensitive models for farmers & aquaculturalist to formally engage in climate resilient, profitable, production	No of registered users confirm timely receipt of near real-time salinity forecasts from automated salinity monitoring system							DARD, DoNRE, TVU; Project M&E system; Project baseline studies, mid-term & completion evaluations			
	Indigenous people					0					
	Males					0					
	Females					0					
	At least 6 value chains identified							DARD, DoNRE, TVU; Project M&E system; Project baseline studies, mid-term & completion evaluations			
	VCs			6	18	18	300.0%				
<b>Output</b> Tra Vinh University implementing an adaptive, climate-informed agricultural and aquaculture varietal research program	At least 13 peer-reviewed scientific papers published on climate adapted species/varietal introductions into Tra Vinh and Ben Tre provinces							DARD, DoNRE, TVU; Project M&E system; Project baseline studies, mid-term & completion evaluations			
	scientific paper			13	1	1	7.7%				

<b>Output</b> Smallholder HHs/Groups that cope with climate change and sustainably manage natural resources and climate related risks.	Poor smallholder household members supported in coping with the effects of climate change						DARD, DoNRE, TVU; Project M&E system; Project baseline studies, mid-term & completion evaluations	Annual		Provincial governments integrate commune level NTP funding into the MoSEDP process (A) Provincial governments do not support private sector participation in SEDP development (R) Inadequate skills base among local service providers (R)	
	Males			65000		164511					253.1%
	Females			65000		124332					191.3%
	Total household members			30000		48764					162.5%
	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks						DARD, DoNRE, TVU; Project M&E system; Project baseline studies, mid-term & completion evaluations	Annual			
	Groups supported			30000	768	786					2.6%
	Females				4283	4283					
	Males				374	374					
	Total size of groups				4657	4657					
	Indigenous people				2060	2060					
<b>Output</b> Communes prepare community- based adaptation and disaster risk mitigation plans	village/community plans formulated						RIMS report			Provincial governments integrate commune level NTP funding into the MoSEDP process (A) Provincial governments do not support private sector participation in SEDP development (R) Inadequate skills base among local service providers (R)	
	plans				92	92					

<b>Output</b> Provincial Departments of Planning & Investment have guidelines and tools for market oriented, climate-informed SEDP planning and the capacity to independently train district and commune staff in market oriented strategic planning	No. of Provincial climate-informed market oriented SEDPs produced for the periods 2016-2020 and 2021 to 2025							Competency based training course results; DARD and DoNRE reporting; Project M&E system; Prime Minister approval of 5-year provincial SEDPs; Provincial Gazette (policy directives)			
	SEDP				1	1					
<b>Outcome</b> Investing in Sustainable Livelihoods Increased and more inclusive financing for market oriented, climate smart agriculture and agri-business investments	Less than 5% non-performing loans in WU SCG portfolios							Credit institution records; Case/panel studies; Project M&E system; Project baseline studies, mid-term & completion evaluations			Financial service providers remain interested to invest in project targeted value chains (A) Quality & availability of freshwater in the project Provinces remains adequate for development of project livelihood activities (R)
	non-performing loans			5	0.07	0.07	1.4%				
	50% of HHs in project communes accessing credit for farming activities							Credit institution records; Case/panel studies; Project M&E system; Project baseline studies, mid-term & completion evaluations			
	Households			50	46	46	92.0%				
	30% increase in both number and resulting income of rural poor HHs having wage & non-farm sector employment							Credit institution records; Case/panel studies; Project M&E system; Project baseline studies, mid-term & completion evaluations			
	percentage increase			30	44	44	146.7%				

<b>Output</b> Savings and Credit Groups established	At least 1040 new women's SCGs having at least 19,000 members established						WU records <input type="checkbox"/> Business enterprise records. <input type="checkbox"/> Project baseline studies, mid-term & completion evaluations	Annual		Inadequate skills base amongst local service providers (R) Government completes the regulatory framework for the implementation of MFI legislation (A)	
	women SCGs			1040	365	365					35.1%
	1.1.5 Persons in rural areas accessing financial services						RIMS report	Annual			
	Indigenous people in rural areas accessing financial services - credit				926	926					
	Women in rural areas accessing financial services - credit				2095	2095					
	Women in rural areas accessing financial services - savings				2661	2661					
	Indigenous people in rural areas accessing financial services - savings				874	874					
	value of gross loan portfolio						RIMS report	Annual			
	loan portfolio				399	399					
	Value of voluntary savings						RIMS report	Annual			
	savings				30.8	30.8					
	<b>Output</b> Women's Union Social Funds transformed into viable Micro-Finance Institutions	Two provincial MFIs established						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations			
MFI				2		0	0.0%				

	Biennial agriculture finance conferences held in each AMD province						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations			
	conferences					0				
<b>Output</b> Climate resilient, risk reducing, small-scale commune works and infrastructure constructed	100% of project communes have infrastructure supervision boards capable of supervising, inspecting and maintaining infrastructure projects in their communes by end-PY2						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations			Inadequate skills base among local service providers (R) Government completes the regulatory framework for the implementation of MFI legislation (A)
	communes			100	33.5	33.5				
	value of infrastructure protected from extreme weather events						RIMS report	Annual		
	value of infrastructure				154	154				
<b>Output</b> Poor and near poor HHs can affordably invest in profitable climate adaptation technology	At least 3000 households co-financed to invest in climate resilient farming system						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual		
	Males				412	412				
	Females				137	137				
	poor				368	368				
	Indigenous people				241	241				
	Households			3000	549	549				
	At least 15,000 people trained on climate-informed farming system and technology						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual		
	Males				12150	12150				
	Poor				3458	3458				
	Total number of people				17992	17992				
	Females				5842	5842				

	5,000 HHs replicate CFAF model						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual			
	Households				2635	2635					
	2,000 people provided with skills on preparing sub-projects/business plans						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual			
	Males				632	632					
	Total number of people				1289	1289					
	Females				657	657					
	poor				533	533					
<b>Output</b> P-PC funds allocated competitively, enabling SMEs, CIGs & Co-ops to invest in sustainable, climate-sensitive production & raise working standard and opportunities for labourers	\$1.8 million invested in PPP associating with rural poverty reduction						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations			Inadequate skills base among local service providers (R) Government completes the regulatory framework for the implementation of MFI legislation (A)	
	investments in PPP			1800	499	499					27.7%
	At least 100 new sustainable commune level enterprises (including cooperatives & SMEs) operating profitably at project completion						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual			
	commune level enterprises			100	70	70					70.0%
	At least 1,800 HHs benefitted from PPP models						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual			
	Total number of people				4441	4441					
	Males				2570	2570					
	Poor				1680	1680					
	Females				1871	1871					



	150 sustainable jobs generated from PPP models						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual	
	Poor				616	616			
	Males				699	699			
	Total number of people				1663	1663			
	Females				964	964			
	Number of contracts between enterprises and farmers signed after workshops						WU records; Business enterprise records; Project baseline studies, mid-term & completion evaluations	Annual	
	contracts				2921	2921			