



1. Project Data

Operation ID
P122667

Operation Name
VN-Vietnam Climate Change DPL

Country
Vietnam

Practice Area(Lead)
Environment & Natural Resources

Programmatic DPL
Planned Operations: 3

Approved Operations: 3

L/C/TF Number(s)
IDA-50400

Closing Date (Original)
30-Sep-2012

Total Financing (USD)
70,000,000.00

Bank Approval Date
02-Feb-2012

Closing Date (Actual)
30-Sep-2012

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	70,000,000.00	0.00
Revised Commitment	70,000,000.00	0.00
Actual	69,284,368.00	0.00

Sector(s)
Other Public Administration(60%):Other Energy and Extractives(20%):Other Water Supply, Sanitation and Waste Management(20%)

Theme(s)
Climate change(80%):Water resource management(10%):Natural disaster management(10%)

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Operation ID
P127201

Operation Name
VN-Climate Change DPL II (P127201)

Country
Vietnam

Practice Area(Lead)
Environment & Natural Resources



L/C/TF Number(s) IDA-50400,IDA-51790	Closing Date (Original) 30-Sep-2013	Total Financing (USD) 70,000,000.00
Bank Approval Date 08-Nov-2012	Closing Date (Actual) 30-Sep-2013	
	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	70,000,000.00	0.00
Revised Commitment	70,000,000.00	0.00
Actual	68,943,420.00	0.00

Sector(s)

Irrigation and Drainage(10%):Other Agriculture, Fishing and Forestry(10%):Other Public Administration(25%):Other Energy and Extractives(30%):Other Water Supply, Sanitation and Waste Management(25%)

Theme(s)

Climate change(100%)

Operation ID P131775	Operation Name VN-Climate Change DPL III (P131775)
Country Vietnam	Practice Area(Lead) Environment & Natural Resources

L/C/TF Number(s) IDA-50400,IDA-55190	Closing Date (Original) 30-Sep-2015	Total Financing (USD) 70,000,000.00
Bank Approval Date 30-Jun-2014	Closing Date (Actual) 30-Sep-2015	
	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	70,000,000.00	0.00
Revised Commitment	70,000,000.00	0.00
Actual	66,157,432.00	0.00

Sector(s)

Irrigation and Drainage(10%):Other Agriculture, Fishing and Forestry(10%):Other Public Administration(25%):Other Energy and Extractives(30%):Other Water Supply, Sanitation and Waste Management(25%)



Theme(s)
Climate change(100%)

2. Project Objectives and Policy Areas

a. Objectives

Financial Agreement Development Objective: to support the Government of Vietnam in its efforts to address climate change by adopting policies and strengthening institutional capacity to promote climate resilient and lower carbon intensity development.

b. Were the program objectives/key associated outcome targets revised during implementation of the series? If yes, were the changes part of the program document approved by the Board?

No

c. Pillars/Policy Areas

Unless otherwise indicated, the descriptions below are taken from the Program Document (PD) Annex 2 ("Policy Matrix for the Vietnam Climate Change Development Operation Series VCCDOS- CY 2010-2012) and Annex 3 ("Results Framework") for the first of the three Development Policy Operations (DPOs) in the series.

Pillar I: Adaptation (Goal and Policy Area 1)

Goal and Policy Area 1: Climate-resilient development: improving the resilience of water resources:

Objective: promote more integrated water resources management, with the policy actions below as prior actions (DPO1) or triggers (DPOs 2 and 3).

Expected End-of-Project (EOP) Results: strengthened legal and organizational arrangements for a programmatic, integrated, and adaptive approach to water resources management.

- DPO 1: MONRE (Ministry of Natural Resources and Environment) has furnished to MPI (Ministry of Planning and Investment) a letter dated July 28, 2010 submitting (sic) for Prime Minister approval a National Target Program for Water Resources Management based on the Water Sector Review.
- DPO 2: Develop the new law on water resources.
- DPO 3: Prioritize actions and define responsibilities for the implementation of the National Plan on Water Resources Management.

According to the Program Document for DPO 3, the triggers and other prior actions that had been met or achieved, in relation to this goal and priority area for this operation were:

- National Action Plan on Water Resources Management approved by Prime Minister Decision No. 182/QĐ-TTg dated January 23, 2014.
- Implementation decree of the new Law on Water Resources approved by Prime Minister Decision No. 201/2013 ND-CP dated November 11, 2013.

Pillar II: Mitigation (Goal and Policy Area 2)

Goal and Policy Area 2: Lower-carbon intensity development: exploiting emission reduction potentials in relation to energy use

Objective: Enhance energy efficiency in the industrial sector.

Expected EOP Results: practices to strengthen energy efficiency are implemented in large energy users of the industrial sector.

- DPO1: The Prime Minister has issued Decree Number 21/2011/ND-CP dated March 29, 2011 guiding the implementation of the Law on Energy Efficiency and Conservation, and has received for approval a draft Decree on administrative sanctions in the field of energy saving and efficiency.
- DPO2: Adopt regulations establishing and certification requirement for energy auditors and energy managers.
- DPO3: Adopt regulations for energy efficiency measures and operationalize in key energy-intensive industrial sectors.



According to the Program Document for DPO 3, the completed prior action met in relation to this goal and priority area for this operation:

- Circular guiding the implementation of energy efficiency measure in the chemicals sector issued by MOIT (Ministry of Industry and Trade) Minister by Circular No. 02/2014/TT-BCT dated January 16, 2014.

Pillar III: Cross-Cutting Climate Change Policy and Institutional Framework (Goals and Policy Areas 3 and 4)

Goal and Policy Area 3: Strengthening the capacity and preparedness to formulate, prioritize and implement climate change policies.

Objective: Strengthen the scientific, analytic and methodological basis for development action on climate change, including Monitoring and Evaluation (M&E).

Expected EOP Results: Scientific, analytical and methodological basis and monitoring capacity guiding the development of priority actions and targets for climate change has improved.

- DO1: MONRE has finalized a report on Updated Climate Change Scenarios dated 2011 updating the Recipient's climate change scenarios with an improved methodology; The Prime Minister issued Official Instruction Number 1820/TTg-KTN dated September 29, 2009 endorsing the Implementation Plan of the National Strategy for Disaster Prevention, Response, and Mitigation to 2020 which is a consolidation of 63 Provincial Disaster Action Plans and evidence of their development.
- DO2: Develop National Climate Change Strategy guiding Government of Vietnam's actions on climate change.
- DO3: Finalize the Adaptation Methodology to guide prioritization and initiate application.

According to the Program Document for DPO 3, the completed triggers and prior actions for goal and priority area 3 for this operation were:

- Decision on the National Action Plan for Climate Change issued by Prime Minister through Decision Number 1474/QD-TTg dated October 5, 2012.
- Decision on Adaptation Prioritization Framework for socio-economic development planning issued by MPI Minister by Decision No. 1485/QD-BKHDT dated October 17, 2013.
- Law No. 33/2013/QH13 on Natural Disaster Risk Management and Reduction approved by the National Assembly on June 19, 2013.

Goal and Policy Area 4. Strengthening the financing framework to support climate change.

Objective: Promote an integrated approach for the financing of climate actions, including monitoring and reporting.

Expected EOP Results: Climate finance is planned according to priorities and a multi-sectoral allocation process and reported subsequently.

- DPO1: The Prime Minister (PM) issued Official Instruction Number 8981/VPCP-QHQT dated December 10, 2010 outlining the guiding principles relating to the use of official development assistance to respond to climate change through budget support.
- DPO2: Develop institutional mechanism to promote potential climate financing sources.
- DPO3: Establish implementing guidelines for allocation and reporting of financial resources directed at climate change action consistent with PM Decision 8981/VPCP-QHQT dated December 10, 2010.

According to the Program Document for DPO 3, the pertinent completed trigger for this part of the operation was:

- Inter-ministerial circular to guide the implementation of the Mechanism to manage the climate change financial resources jointly issued by three Ministers (Minister of Finance -- MF, MONRE, and MPI) through Joint Circular No. 03/2013/TTB-BTNMT-BTC-BKHDT dated March 5, 2013.

It should be noted finally, that the actions included under Goals and Policy Actions 3 and 4 above are germane to both project development objectives -- i.e., to adopt policies and strengthen institutional capacity to promote (i) climate resilient and (ii) lower carbon intensity development, which are most clearly identified with Goals and Policy Areas 1 and 2, respectively.

d. Comments on Program Cost, Financing, and Dates

Cost: The ICR neglects to indicate the total cost of the program partially financed by the three IDA credits.

Financing: While the ICR indicates the accumulated amount of IDA financing through credits 50400, 51790, and 51790 - US\$ 210 million equivalent, and the individual amounts in Special Drawing Rights (SDRs) for each of these loans -- 45.2 million, 46.0 million, and 45.2 million, respectively. However, it fails to indicate the co-financing amounts provided by the Japanese International Cooperation Agency (JICA), the



Agence Francaise de Developpement (AFD), and other donors. The Program Document for the first operation nonetheless states (para. 80, pg. 23) that JICA and AFD were jointly expected to provide roughly US\$ 145 million and the Canadian International Development Agency (CIDA) to provide another US\$ 4.5 million, while their combined contribution, together with that of IDA, for DPO 2 was expected to rise to about US\$ 220 million. Both the Korean EximBank and AusAID were also expected to join the program in CY 2012 for DPO 2. The ICR also did not indicate the amount of funding that JICA and ADF had provided for the Government's Support Program to Respond to Climate Change (SPRCC) during the two years before the Bank decided to provide financial support for it. Subsequent to submission of the draft ICR Review to the Global Practice, the project team observed that, even though the DPO series was I support of the SPRCC, it felt that "it was important within the ICR to be clear that the evaluation had a focus on the DPO series and not directly on the broader SPRCC. Accordingly, the decision was taken not to reflect explicitly the contributions of JICA, AFD, and other development partner parallel financing to the SPRCC in the ICR document." This notwithstanding, all of the donors in question including the Bank were financing elements of the same Government program and in IEG's view their relative financial contributions should have been indicated in the ICR.

Dates: The three credits were closed on September 30, 2012, September 30, 2013, and September 30, 2015. However, according to the Program Document for the first of these operations, it was originally expected to conclude much earlier. More specifically, Figure 4 on pg. 25 of this report, for example, indicates that DPO 1 was to occur in 2010, DPO 2 in 2011, and DPO 3 in 2012, which may have been an oversight but the Policy Matrix in Annex 2 (PP. 51-52) indicated that DPO 1 was for Board presentation and delivery in FY 2012, DPO 2 in FY 2013, and DPO 3 in FY 2014, not FY 2015, as occurred in practice. The ICR does not explain the Board approval of DPO 3 was delayed until June 30, 2014 when it was originally expected to be completed in FY 14. In short, this programmatic series apparently took one year longer to implement than initially anticipated. According to the project team, this delay was due to the additional time required by the Borrower to meet all of the pre-established triggers for the third operation.

3. Relevance of Objectives & Design

a. Relevance of Objectives

Program objectives were and continue to be of high relevance given Vietnam's significant vulnerability to the negative impacts of global climate change, including the likely increasing frequency and intensity of tropical storms and associated storm surges and flooding, as well as more extensive droughts, which will adversely affect both productivity and livelihoods, particularly in the country's extensive coastal areas and important agricultural sector. The Government clearly recognizes this as its Socio-Economic Development Plan for 2011-2015 identified the same priority areas -- i.e., water resource management, energy efficiency, and natural disaster risk management -- as those highlighted in the multi-donor-supported Climate Change DPO series approved during this period. The World Bank Group's Country Partnership Strategy (CPS) for Vietnam for 2012-2016 likewise identified environmental and natural resource sustainability as a key part of the Government's development agenda (pg. 7), as well as the need to more effectively address the country's growing vulnerability to both economic and natural shocks, including the impacts of climate change (pg. 9). As concerns the Bank's areas of strategic engagement with the country during the CPS implementation period, it likewise identified "sustainability" as one of three key pillars (the others being competitiveness and opportunity), and water resources management, climate change mitigation, disaster risk management, and climate change adaptation as four of the eight proposed key action areas under this pillar (Figure 2, pg. 21), also explicitly mentioning the programmatic Climate Change DPO series in this context (pg. 27). As the ICR (para. 32, pg. 13) points out, however, the Project Development Objectives (PDOs) could have focused more directly on desired outcomes in relation to climate change rather than the more process-oriented statement "to support the Government of Vietnam in its efforts to...", which also resulted in less easily measurable results, as "support" could mean virtually anything done to assist the Government. But for this issue, the program's objectives overall would be rated high.

Rating

Substantial

b. Relevance of Design

The program design was substantially relevant. It focused on priority areas for climate change adaptation (water resource management) and mitigation (energy efficiency in the industrial sector) as well as the strengthening of institutional and financing mechanisms within the central government in order to more effectively address the country's climate change priorities. The project design also entailed focusing on key areas within the Government's broader multi-donor Support Program to Respond to Climate Change (SP-RCC), which was initiated in 2009 and covered a total of 14 policy areas, as listed in the Program Document for DPO 1 (Figure 3, pg. 12). The policy areas and actions listed in the Policy Matrix and Results Frameworks contained in Annexes 2 and 3 of the Program Document were generally well-aligned with the PDOs.



However, in addition to the less outcome-oriented statement of the PDOs mentioned above, weaknesses in the wording of some of the indicators contained in the Results Framework, as pointed out by the ICR (para. 39, pg. 16), also made them less easy to measure than desirable. More importantly, these indicators were output- rather than outcome-oriented despite the statement of pillar and goal-specific objectives and expected end-of-project results in the Results Framework. It should be noted, moreover, that many of the proposed results under the Mitigation component (i.e., training and certification of energy auditors and managers, submission of energy efficiency plans) are not really policy measures and could have been supported by Technical Assistance rather than a policy-based loan series. As concerns the certification of energy auditors, the project team stated that "MOIT Circular 39/2011/TT-BCT on certification of energy auditors and managers was delivered as a DPO2 prior action. The Circular provided guidance and impetus for certification of energy managers and auditors that would otherwise not likely have happened at the scale, nor be institutionalized without the Circular. The team is of the view that the capacity developed of the energy managers and auditors, and the eventual development of energy management plans was in fact an outcome of policy managers." IEG is grateful for the clarification, but stands by its finding that the certification of energy managers and auditors is not a policy measure per se.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To support the Government of Vietnam in its efforts to address climate change by adopting policies and strengthening institutional capacity to promote climate resilient development. Substantial.

Rationale

Performance indicators are shown first followed by, after a dash, associated achievements (as reported in ICR). While it is sometimes difficult to distinguish clearly between program outputs and outcomes, an attempt to do so is indicated below.

For DPO 1 (status as of November 8, 2012):

Outputs

- Coordinated program with a new legal framework for integrated water management in place and operational -- according to the ICR (pg. xi), improved, but insufficient, legal instruments approved to establish a proper framework for integrated water resources management (IWRM).
- At least three irrigation management schemes to be piloted at secondary level -- three irrigation management schemes being transferred at secondary level.

Outcomes

- Adaptation methodology to guide prioritization is available and its application initiated -- adaptation prioritization framework development initiated.
- 100% of provinces have disaster risk management plans and 2 provinces identified for piloting of monitoring and evaluation -- 100% of provinces have disaster risk management plans.
- Comprehensive legal framework for multi-hazards in place establishing a unifying legal framework for disaster risk action initiated -- development of a comprehensive legal framework for multi-hazards establishing a unifying legal framework for disaster risk initiated.
- National Platform in place for all stakeholders to coordinate Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA) actions -- establishment of National Coordination Platform for DRR and CCA actions authorized.
- Financial mechanism for using Overseas Development Assistance (ODA) through budget support is in place -- principles guiding the set-up of a Financial Mechanism for climate action have been issued by the Prime Minister (PM) (also applies to Objective 2).

For DPO 2 (status as of June 30, 2014):



Outputs:

- Three legal instruments approved and have established an operational IWRM-based framework for integrated water management -- the Water Law is now effective and the implementation Decree for this law and the associated National Action Plan for Water Resources Management (NAP-WRM) have been issued by the PM. The Decree on Administrative Sanction was issued by the PM on October 24, 2013.
- Minimum flows established for the Vu Gia-Thu Bon, the Ba and the Se San Rivers and being used to guide water allocation decisions during the dry season -- the PM has issued an instruction to develop an operational manual for hydropower in the Vu-Gia Thu Bon and Ba (but apparently not Se San) Rivers based on minimum flows and operating rules are being developed.

Outcomes:

- Three Water User Associations (WUAs) functional in three pilot irrigation schemes managing secondary canals serving 1,500 hectares (sites are Phy Ninh scheme in Quang Nam Province, Ke Go scheme in Ha Tinh Province and Cau Son-Cam Son scheme in Bac Giang Province) -- indicator was dropped because, according to the ICR (para., 11, pg. 5), the Government "requested to remove benchmarks or to recast them as prior actions. It was on this basis that Indicator 2 related to irrigation (a DPO1 benchmark that could not be recast as a prior action because of insufficient readiness of the Government) was dropped in DPO3 to further improve the results framework."
- Adaptation Prioritization Framework in the context of the Socio-Economic Development Plan (SEDP) is operational at the Ministry of Planning and Investment (MPI) and implementation is initiated under the current 5-Year SEDP -- see result for DPO 3 below.
- 100% of provinces have disaster risk management (DRM) plans and implementation is ongoing -- 100% of provinces have DRM plans and implementation is ongoing.
- Comprehensive legal framework for multi-hazards in place establishing a unifying legal framework for disaster risk action is operational -- The Law on Natural Disaster Prevention was finalized and adopted by the National Assembly on June 19, 2013.
- National Coordination Platform in place under the National Committee for Climate Change (NCCC) for all stakeholders to coordinate DRR and CAA action with evidence of improvement in planning, monitoring, and reporting -- under the leadership of the Prime Minister (PM) and in the context of the NCCC, the Ministry of Agriculture and Rural Development (MARD) and MONRE jointly organized a high level forum on DRR and CCA on October 16, 2013; while this suggests likely improved inter-ministerial coordination, the organization of a forum does not, in and of itself, necessarily indicate improved planning, monitoring, and reporting. Furthermore, according to the ICR (para. 16, pg. 10), thus indicator was dropped because "following a series of high-level discussion, the Government decided not to proceed with establishing a formal separate Platform, while coordination of DRR and CAA was instead guided and facilitated by the Vietnamese Government through the NCCC chaired by the Prime Minister and the line Ministers as members.
- A Financial Mechanism for climate change action with transparent allocation and reporting process is in place and operational resulting in additional dedicated financing available for climate action -- (i) Financial Mechanism created and first year budget allocated, although its degree of transparency is not specifically indicated in the ICR; (ii) Climate Public Expenditure Review under implementation at the request of the PM. (also applies to Objective 2).
- Climate Finance Task Force facilitates information sharing, decision making, coordination of and access to climate finance - the Inter-Ministerial Circular guiding the implementation of the SP-RCC Mechanism to manage the climate change financial resources for selected investments in support of climate change adaptation and GHG emission reduction was jointly issued by MOF, MONRE, and MPI on March 5, 2013 (also applies to Objective 2).

DPO 3 (End-of-Program status as of July 15, 2016):

Outputs:

- Three new high level IWRM instruments are operational with priority actions taken -- the Government of Vietnam (GOV) adopted the Law on Water Resources in 2012 and it was made operational through an Implementation Decree issued in November 2013. The third legal instrument was the National Action Plan on Water Resources Management (NAP-WRM), issued through a Prime Ministerial Decision in January 2014 and including a list of priority projects for implementation between 2014 and 2020. Implementation of this Plan has started with the establishment of minimum flow regulations for major rivers, specifically for the Red, Vu Gia-Thu Bon, Ba, Sesan, Seprok, Kon-Ha, Thanh, and Tra Kuk River Basins, among other actions.
- Minimum flows established for the Vu Gia Thu Bon and Ba Rivers and used to guide water allocation during the dry seasons -- these minimum flow values were included in Prime Ministerial Decision 1537 issued in July 2015 and Decision 1077 issued in May 2014 for these two rivers, respectively. Minimum flows have subsequently been established for other rivers as well. According to the ICR (pg. xxi), "the Prime Ministerial



Decisions provide the legal mandate for the use of the minimum flow values to guide water allocation decisions during the flood and dry seasons....The setting of minimum water levels provided in the Prime Minister's Decisions is needed to help address increasingly serious conflicts of water used upstream by hydropower plants and downstream for agriculture and livelihood activities."

- An Adaptation Prioritization Framework (APRF) is operational within MPI SEDP's annual cycles and initial implementation reflected in MPI SEDP annual guideline frameworks and budget reports -- the APRF within MPI SEDP's annual cycles was made operational by MPI Decision 1485 issued in October 2013, which adopted this tool for use in socio-economic planning, and has been incorporated in the 2014 and 2015 SEDP annual guideline frameworks. It has reportedly helped MPI and the provincial Departments of Planning and Investment (DPIs) to identify climate change priorities for the 2016-2020 SEDP, as well as to develop a Decision Support Tool to guide identification of no-regret investment for financing under the IDA-funded Mekong Delta Adaptation and Livelihoods Project.

Outcomes:

- Provinces have disaster risk management and reduction (DRR) plans under implementation -- the National Strategy for DRM Implementation report for 2009-2013 documents the implementation progress of DRR plans in all 63 provinces.
- A comprehensive unified legal framework to address climate hazards is operational enabling a stronger focus on DRR -- a new Law on Natural Disaster Prevention and Control was adopted by the National Assembly in June 2013 and its operationalization was supported by Decree No. 66/2014/ND-CP.
- Additional financial resources are mobilized for climate action, planned according to priorities and a multi-sector allocation process -- a joint Circular issued by MONRE, MOF, and MPI in March 2013 provided guidance on management of a new Climate Change Financing Mechanism, including priority planning and sectoral allocation. State budget funds allocated to climate change projects and programs was increased from 315 billion Vietnamese dong to 3,000 billion dong in 2015 under this Mechanism. (also applied to Objective 2).

Summary: In achieving the results indicated above, the ICR points out the key role in several cases played by parallel Technical Assistance to the responsible agencies, presumably provided in the form of grants by the other development partners that originated and participated in this programmatic DPO series (i.e., JICA and AFD), as well as through the Technical Assistance support provided by the United Kingdom's Department for International Development (DFID) that was administered by the Bank. This means that the impressive outcomes associated with this series can only be attributed in part to the DPOs themselves, while, in some cases, indicators were only partially achieved and/or the ICR provides insufficient information to determine whether they were fully achieved. Hence the outcome rating for this objective is Substantial.

Rating
Substantial

Objective 2

Objective

To support the Government of Vietnam in its efforts to address climate change by adopting policies and strengthening institutional capacity to promote lower carbon development. Substantial.

Rationale

Performance indicators -- associated achievements (as reported in ICR):

For DPO 1 (status as of November 8, 2012):

Outputs

- 100 energy auditors completed training courses to support energy efficiency practices in industrial sector, of which 50 fully certified and 50 doing on-the-job training to become fully certified -- 50 energy auditors have completed training.
- 1000 energy managers certified to support energy efficiency practices in industrial sector -- 250 energy managers for industries are already doing the certification process, expected to be completed by December 2012.
- 1000 energy efficiency plans and implementation reports of large energy end-users of the industrial sector are received by MOIT (Ministry of Industry and Trade) or provincial DOITs (provincial Departments of Industry and Trade), of which 600 have been prepared by certified energy



managers -- action plans have been submitted since effectiveness of the Circular.

Outcomes

- Low carbon development assessment initiated -- low carbon development assessment initiated.
- Task force facilitates information sharing, coordination of and access to climate finance, including market-based instruments -- Task Force created to facilitate information sharing, coordinate, and provide access to climate finance (including market-based instruments).

DPO 2 (status as of June 30, 2014):

Outputs:

- 4% of energy savings by heavy industry -- Technical Assistance (TA) will be provided to MOIT to determine 2014 savings based on data collected and calculations.
- 100 energy auditors completed training courses to support energy efficiency practices in industrial sector, of which 50 fully certified and 50 doing on-the-job training to become fully certified -- MOIT reports that more than 160 individuals participated in energy audit training, of which 50 have been certified and the rest undertaking on-the-job training.

Outcomes:

- 1000 energy managers certified to support energy efficiency practices in industrial sector -- 900 energy efficiency plans and implementation reports of large energy end-users of the industrial sector were received by MOIT or provincial DOITs.
- Low carbon development options have been identified and prioritized -- indicator was dropped according to the ICR (para. 15, pg. 6) because "it was related to a benchmark that was no longer part of the policy matrix."

DPO 3 (End-of-Program status as of July 11, 2016):

Outputs:

- 100 energy auditors completed training to support energy efficiency practices in the industrial sector, of which 50 fully certified and 50 doing on-the-job training to become fully certified -- from a baseline of zero, there are now 250 fully certified energy auditors according to GDE/MOIT, which is 2.5 times the initial training target and 5 times the original certified auditor target.
- 1000 energy managers certified to support energy efficiency practices in the industrial sector -- according to GDE/MOIT, there were 2,500 certified energy managers at the time of program closing in the private sector against a baseline of zero.

Outcomes:

- 4% energy savings by heavy industries compared to baseline (forecast under business as usual scenario) -- the General Directorate of Energy (GDE) of the Ministry of Industry and Trade (MOIT) has estimated that 5% energy savings were achieved meaning that the target was expected to be met or surpassed. With technical support from the Danish international aid agency, DANIDA, MOIT was undertaking an assessment of energy savings by heavy industries, which was originally expected to be completed by April 2015, but has been delayed. Thus, measurement of the 4% energy savings indicator was pending MOIT's finalization at the time the program closed. According to the project team, MOIT reported in December 2016 that the national program on economical and efficient energy use between 2011 and 2015 saved 5.65% of total energy consumed during this period, equivalent to saving more than 11 million tons of oil, and representing declining energy consumption in the energy sector.
- 1000 energy efficiency plans and implementation reports by large energy users in the industrial sector are received by MOIT or provincial DOITs, of which 600 have been prepared by certified energy managers -- 1,725 energy efficiency plans and implementation reports prepared by energy managers received by GDE/MOIT from large energy end users in the industrial sector.

Summary: As in the case of the first objective, in achieving the results indicated above, the ICR points out the key role in several cases played by parallel Technical Assistance to the responsible agencies, presumably provided in the form of grants by the other development partners that originated and participated in this programmatic DPO series (i.e., JICA and AFD), as well as through the Technical Assistance support provided by the United Kingdom's Department for International Development (DFID) that was administered by the Bank. This means that the outcomes associated with this series can only be attributed in part to the DPOs themselves. In addition, at least one of



the indicators (e.g., the 4% energy savings in the industrial sector) were not clearly fully achieved by the time the DPO closed. Hence the outcome rating for this objective is also Substantial.

Rating
Substantial

5. Outcome

Considering that relevance of both objectives and of design and Efficacy with respect to both objectives are all rated Substantial, the overall rating is Satisfactory.

- a. Outcome Rating
Satisfactory

6. Rationale for Risk to Development Outcome Rating

A number of program-related achievements refer to Laws, regulations, and plans (e.g., for water resources and natural disaster risk management are now fully operational and in the process of being implemented. Others (i.e., particularly on the mitigation/energy efficiency side) refer to energy management and auditing capacity that was formerly lacking but now appears to be firmly in place in the private industrial and public sector, as is also the case with the required institutional coordination and financing mechanisms. Given continuing strong Government commitment to its climate change adaptation and mitigation-related objectives and interventions, including those associated with improved water resource and natural disaster risk management, program accomplishments seem very likely to be sustainable. In addition, the Government and the Bank and other donors have now gone ahead with a new Climate Change and Green Growth DPO series, whose first of three operations was approved in June 2016. Thus, the risk to the development outcome rating is Modest.

- a. Risk to Development Outcome Rating
Modest

7. Assessment of Bank Performance

- a. Quality-at-Entry

Prior to the Bank's decision to undertake this DPO series, the national climate change policy-based program had already been largely designed by the Government with support from the Japanese International Cooperation Agency (JICA) and the French Development Agency (AFD). While supporting all three pillars of this program, the Bank DPO series covered actions in only 4 of its 14 policy areas, but these were those that the Bank understood, using supporting analytical work and dialogue with the Government and development partners, were the most important. In addition, the Bank played a useful role in supporting and informing the Government with respect to its mitigation concerns within the program, as most of its efforts were initially focused on adaptation given Vietnam's high vulnerability to the adverse impacts of climate change. The Bank's participation was also firmly grounded in prior analytical work, including two poverty and social impact assessments of the proposed policy actions, among others.

Quality-at-Entry Rating
Satisfactory

- b. Quality of supervision

The Bank, together with the other supporting development partners, participated actively in program monitoring and supervision on a regular



basis. This was particularly the case during the third operation in the series when a co-task team leader located in the Bank's country office in Hanoi was appointed to help carry out these activities. Bank administration of and technical support to the accompanying DFID-financed technical assistance project with MONRE also made a relevant contribution in this regard. While this was not explicitly discussed in the ICR, in a subsequent meeting with IEG, the project team pointed out that the Bank had also been able to stand firm with respect to the need for the Borrower to fully meet the previously agreed triggers even though this meant a delay in moving from the second to the third operation in the series in relation to what had originally been expected (and against the inclination of some of the other donors), as well as to help strengthen the technical and operational capacity on the ground of some of these donors on the ground as the result of the joint donor support and supervision process. The fact that the program had Headquarters-based and Hanoi-based co-task team leaders also proved very useful both because the local co-TTL being Vietnamese facilitated communication as well as day-to-day contact with the government agencies and officials involved in program implementation, and because the Headquarters-based TTL was also able to remain in frequent contact with the Borrower, while bringing complementary expertise to the supervision process. The HQ-TTL would participate actively in the semi-annual joint donor and government supervision meetings and was credited by the Borrower in terms of his availability at a distance to help it to address more complex implementation questions during the rest of the year even from a distance. Thus, this appears to have been a particularly well supervised programmatic DPL series.

Quality of Supervision Rating
Highly Satisfactory

Overall Bank Performance Rating
Satisfactory

8. Assessment of Borrower Performance

a. Government Performance

The Government of Vietnam demonstrated strong commitment to the Climate Change Program and to the Bank-financed DPO series throughout their preparation and implementation. As pointed out in the ICR (para. 68, pg. 28), effective implementation of several of the program's key policy actions, such as approval of the NAP-WRM and the establishment of the Climate Finance Task Force, highlighted the Government's understanding of the critical importance of cross-sectoral and cross-ministerial coordination, which the operation, therefore, helped to promote. The key ministries (i.e., MPI and MONRE, among others) also participated, together with the development partners, effectively in the regular program monitoring and results assessment meetings.

Government Performance Rating
Satisfactory

b. Implementing Agency Performance

Implementing agency participation in program implementation and coordination was generally positive, and the leadership of MONRE, which housed the Project Coordination Unit (PCU) in its Department of Meteorology, Hydrology, and Climate Change (DMHCC), was especially noteworthy. However, according to the ICR (para. 69, pg. 28), there were some issues with respect to achievement of the End-of-Program targets on the part of some line ministries and there were also some problems in relation to information sharing between these agencies and the PCU. This was particularly the case with respect to MOIT's Energy Efficiency Department, which was reportedly characterized by "low proactivity" and reportedly provided comparatively slow responses to PCU requests for information.

Implementing Agency Performance Rating
Moderately Satisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization



a. M&E Design

The program had a Results Framework, as specified in an Annex in the Program Document for PDO 1, and progress with respect to the achievement of the triggers and other policy actions contained in the Policy Matrix was monitored on a regular basis through program review meetings that occurred 2 to 3 times a year with participation of the supporting development partners. The ICR subsequently observed (para. 34, pg. 14) that, while, for the most part, this Framework was adequate, a weakness was that "there was no distinction between some indicators and their related targets as the wordings (sic) of these was sometimes very close" and that the "measurability of some indicators could have been stronger in some cases," giving as an example that in several indicators the word "operational" could have been more clearly defined.

b. M&E Implementation

Implementation of monitoring activities was also generally adequate, but here too some shortcomings were reported. According to the ICR (para. 35, pg. 14), progress of the line ministries in achieving the end-of-program targets was not always "fully provided" by the Project Coordination Unit due to coordination lapses and "gaps in sharing information" between the implementing ministries and the PCU. However, the PCU updated the status of the monitoring framework prior to each of the joint donor supervision missions in order to give the development partners adequate time to assess implementation progress with respect to the various policy actions prior to the periodic review meetings. On the other hand, AFD indicated in its co-financier's comments in relation to the program (ICR, pg. 40), that MONRE and the PCU could have better ensured the monitoring and documentation provided for the joint donor supervision missions.

c. M&E Utilization

Program monitoring activities provided a useful "platform for multi-sectoral dialogue" within the Government, as well as with key development partners including the Bank, in relation to national climate change policy and its implementation. In addition, these activities reportedly (ICR, para. 66, pg. 27) helped to ensure that periodic updates of the policy matrix were "supported by evidence." The ICR's overall assessment of M&E implementation and utilization was "Moderately Satisfactory" but it argues that monitoring results were used "to both strengthen current operations and enhance the design of subsequent operations." Overall, it thus appears to have played a positive role in gauging and guiding program performance.

M&E Quality Rating
Substantial

10. Other Issues

a. Environmental and Social Effects

The ICR does not comment on possible environmental and/or social risks associated with this programmatic series, although the Program Document for the first operation (para. 152, pg. 48) identified a risk that "the institutional changes supported by the DPO may not translate into more sustainable livelihoods for the most affected groups." Elaborating in this regard, it observed that "climate change and responses to climate change will affect various stakeholders differently. For example, the water laws might affect the economic patterns of the local population." It also argued that the expected positive outcomes of the program would "outweigh" potential adverse ones and that "the areas identified as having likely negative effects will be analyzed under the PSIA, with the emphasis on promoting sustainable solutions for poor and vulnerable groups." However, this risk was not mentioned in the Program Document for DPO 3 (para. 92, pp. 44-45) and there is no indication in the ICR as to whether this analysis and any associated mitigation measures, if needed, were, in fact, carried out during the course of program implementation.

b. Fiduciary Compliance

NA



c. Unintended impacts (Positive or Negative)

No unintended impacts were identified as such in the ICR. However, it does state (para. 57, pg. 25) that the Government of Vietnam has subsequently "stepped up its role in the international dialogue on climate change," including through its participation in the Bank-administered Partnership for Market Readiness (PMR) and positive engagement in a number of Nationally Appropriate Mitigation Actions (NAMAs) -- although it misstates these as "National Adaptation Mitigation Actions," -- as well as the Government's having organized a pertinent side event at the 21st Conference of the Parties (COP) for the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in December 2015.

d. Other

The ICR (paras. 55-56, pp. 24-25) that the programmatic DPO series has effectively supported the role of the Ministry of Natural Resources and Environment (MONRE) as a leader on climate change within the Vietnamese Government and in the country more generally, while also strengthening its capacity and that of other key ministries, including MPI and MOIT, and subnational departments in this regard. Parallel technical assistance "in the form of studies...and expert advice" provided to the Government in order to support the program's policy actions was particularly important for this purpose.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Moderately Satisfactory	Satisfactory	Overall quality-at-entry was Satisfactory and the Bank helped to focus the broader Government policy-based program on the policy areas of greatest importance, including with respect to mitigation. Supervision was highly satisfactory, particularly as a result of having co-TTLs from headquarters (senior international specialist) and based in the field (local environmental specialist) and a Hanoi-based Bank administered DFID-financed TA to support the program
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of ICR		Substantial	---

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

12. Lessons



The lessons highlighted in the ICR (paras. 71-75, pp. 29-30) are applicable to similar operations, especially:

1. An effective cross-sector platform is needed to achieve significant progress on policy and institutional reforms that address climate change;
2. Convergence of programs and resources between line ministries, across development partners, and between national and sub-national levels of Government is also necessary for achieving progress on climate change reforms; and,
3. High level engagement with the government, supported by strategic and targeted technical assistance and knowledge, is essential to achieve reforms on climate change.

In addition, as IEG's recent learning evaluation with regard to environmental (including climate change) development policy operations has found, the following lessons, which are also illustrated by the present DPO series, are also of relevance:

1. Strong and persisting Government and other stakeholder commitment to program objectives and policy actions, including that of key Finance and Planning Ministries, as well as that of other implementing institutions, is essential;
2. The Bank should be willing to join ongoing policy-based programs if it can clearly add value by helping to better focus them and prioritize policy actions that are of especial importance in achieving their general objectives (i.e., climate change adaptation and mitigation in the present case) as well as through its supervision/implementation support; this can also help to enhance donor coordination and local capacity with regard to policy support in a particular country;
3. Climate change development policy operations are more effective if they are focused on a limited number of high priority policy areas, count on strong government commitment and based on solid background analytical work and are used in conjunction with other Bank and donor-supported technical assistance and investment operations, including in the present case with respect to water resource management, energy efficiency, and natural disaster risk management; and,
4. Task team leadership arrangements in which responsibilities are shared by international specialists based in Headquarters and local ones based in the field can help the Bank to provide more efficient and effective implementation support, including to other participating donors that are present on the ground, while also ensuring that Bank policies and operational requirements are fully met.

13. Assessment Recommended?

Yes

Please explain

In comparison with some other climate change DPOs (e.g., that in Indonesia, which shared many similar design and operational characteristics, but ultimately failed), it would be useful to explore in greater depth why the present operation was considerably more successful. In addition, as it has now been followed by a new three operation DPO for climate change and green growth, it would be useful to assess the results and impacts of the two sets of DPOs jointly some years further down the road when the second series has been completed, as this may be the first country where the Bank has financed back-to-back multi-year programmatic policy-based loan series for climate change, and, thus, a number of important lessons are likely to be learned.

14. Comments on Quality of ICR

The ICR is well-written and generally comprehensive and of good quality. However, there were a number of areas where it might have provided greater information. For example, it could have given greater information with respect to the role of the other development partners, especially JICA and AFD, in program design (i.e., quality-at-entry) and implementation, including the role of parallel technical assistance activities funded by them as well as by DFID. It could also have provided greater information regarding the Bank's value added to this preexisting Government and other donor supported program. How the programmatic series addressed possible adverse environmental and social risks and/or effects of the policy actions supported could likewise have been given in the ICR. Finally, it could have provided information regarding total program costs and the amount of co-financing provided by each of the other donors that were supporting the program in parallel and the relative importance of these activities with regard to the final results associated with/attribution to the Bank-supported DPO series.

- a. Quality of ICR Rating
Substantial

