

Evaluation Summary

Policy loan “Support Programme to Respond to Climate Change” (SPRCC)

Country: **Vietnam**

Sector: **Environmental policy and administrative management**

Evaluator: **Ecorys**

Date of the evaluation: **May 2018**

Key data on AFD's support

Projet number:

Amount: loan of €140 million (SPRCC 4 to 7) and 0.6 million € of Technical Assistance (TA)

Disbursement rate: 29% (so far)

Signature of financing agreement: 2005 and 2010

Completion date: 2019

Total duration: 5 years (since SPRCC 4 award)

Context

Vietnam is one of the countries in which AFD has high ambitions as regards climate change (CC) activities.

Emissions are low but rising fast.

The AFD Budget Support (jointly with the World Bank and the Japan International Cooperation Agency) supported the **Government of Vietnam in building its policy and regulatory framework around CC and green growth.**

Actors and operating method

The contracting authority was the Ministry of Finance.

The programme manager was the Ministry of Natural Resources and of the Environment.

Objectives

- **To integrate** the fight against climate change into Vietnam's sectoral policies.
- **To improve** the Vietnamese institutional structure in order to integrate the challenges of the fight against climate change to all economic sectors.
- **To strengthen** national capacities in order to manage climate change.

Expected outputs

- **Regulations, studies and road maps** (implementation of SPRCC policy actions).
- Design of clearer and more ambitious **policies**.
- Promotion of the **mainstreaming of CC** in government policies and practices.
- Strengthened policy **implementation**.
- Strengthened policy **coordination**.
- Improved **selection and implementation** processes of CC projects (with a particular focus on energy/GHG emissions).

Performance assessment

Relevance

Overall, the Support Programme to Respond to Climate Change (SPRCC) has been **relevant**. SPRCC policy actions have been **consistent with the Government of Vietnam's (GoV) strategies and action plans**. The focus of the policy actions has also been **in line with relevant AFD strategies** (Vietnam, climate change, energy).

At the political level, the support to the SPRCC has been consistent with the **priority given to climate change by the French government**, especially in the context of the COP21 and in its aftermath.

In terms of internal consistency of the different budget support inputs, there has been a **good linkage between the policy dialogue and the technical assistance** (TA), although the AFD provided limited TA.

On the other hand, **the lack of direct financial benefit from the programme** for Line Ministries has been a primary reason for their limited engagement in the policy dialogue.

Effectiveness

The effects of the programme on strengthening institutional and policy capacity around climate change have been **positive but limited**, specifically in policy areas such as energy efficiency, renewable energy and greenhouse gas emission reduction that are of particular interest to the AFD.

The AFD has been leading the policy dialogue on renewable energy and energy efficiency in the SPRCC context and contributed to the **inclusion of priorities in the Policy Matrix** and to the **generally high profile of energy** in the context of climate change mitigation.

Efficiency

Overall, the SPRCC has been **an efficient programme**.

Policy dialogue has been a major feature of the SPRCC although its quality and scope have been relatively limited.

The Policy Matrix has been appreciated as a **useful instrument** for tracking, prioritising and monitoring the formulation of policies and regulatory processes regarding climate change.

The SPRCC plenary meetings have been **useful for making progress with the formulation and monitoring of policy actions** but did not constitute in-depth and high-level policy dialogue fora.

TA has been an important and useful component of the SPRCC. The effects of TA provided by SPRCC donors supporting the appropriate national stakeholders have been **high**. However, there were also examples of TA provided by SPRCC donors that was **not timely**. Coordination and harmonization between SPRCC partners have been good but the role of the SPRCC in broader coordination has been limited.

Sustainability

While the strong alignment of policy actions to GoV strategies and plans has limited the ambition of the programme, it has ensured the **sustainability** of the effects: **the completed actions are unlikely to be reversed**.

Added value of AFD's contribution

Despite the relative small size of its support, the role of the AFD in the SPRCC has been **positive**. Overall, the added value of the AFD has been clearest in the **policy dialogue**, including bilateral dialogues, and in particular in the energy area. The AFD has been an appreciated and valuable dialogue partner, despite the limited quantity of resources it could mobilize. TA has generally been a small component of AFD's SPRCC operation with limited financial resources.

Conclusions and lessons learnt

The overall effect of the SPRCC on the **quality of climate change policies and their implementation** has been **positive**, although **relatively modest**. They reflect other shortcomings in the mechanisms of the SPRCC, including in terms of the **scope and participation in policy dialogue** and **insufficient coordination** with other initiatives.

Improvements will need to be considered that take into account the new context determined by the **evolving national climate change (CC) policies** and institutions and the changing donor landscape.

Closer connection of the SPRCC to the National Committee on Climate Change (NCCC) structure could strengthen the policy contributions of the SPRCC to the NCCC deliberations and the **coordination** between CC stakeholders.