CLIMATE PUBLIC EXPENDITURE AND INVESTMENT REVIEW (CPEIR) – PERIOD 2016 - 2020 - QUANG BINH PROVINCE

1. Climate change in Quang Binh

General introduction

Quang Binh, a province situated between Ha Tinh and Quang Tri with a 116 km long coastline, is mineral reach, and showcases strong potential to expand its tourism, marine, and forestry sectors.

In 2018, the population of the province was estimated at 887.6 thousand pepole. The same year, the gross regional domestic product (GRDP) per capita was VND 37.5 million (USD 1,628) and rose to VND 42.6 million in 2019. The total GRDP reached VND 33.3 trillion (USD 1.44 billion), as a result of a GRDP growth rate of 7.0% in 2018. Economic growth grew 7.4% the following year.

The agriculture, forestry and fishery sectorgrew 3.43%,industrial production by 8.5%, and the production value of services by 7.17%.

The economic structure is maturing towards the industry and services sector. The industry – and construction represents 28% of GRDP; services account for 52 %, and agriculture, forestry and fishery account for 20%. Still, Quang Binh remains abundant in minerals and shows strong potential in tourism, marine economy and forestry.

The impact of climate change on Quang Binh

Quang Binh is regularly affected by the effects of climate change, sufferingsuffers heavy economic losses attributed to storms and floods,droughts, severe cold weather, and risks of salinisation[1].

In recent decades, changes in temperature, rainfall, and increasing frequency of extreme weather events and natural disasters are seriously affecting activities. The livelihoods and overall welfare local farmers and fishermen have been negatively influenced by the impacts of climate change.

Activities to respond to climate change [2]

In recent years, the Provincial People's Committee has issued legal documents on hydro-meteorology and climate change, directing branches and levels in the province to implement in accordance with their assigned functions and authority. closely follow the objectives and tasks of Resolution No. 24-NQ/TW dated June 3, 2013 of the XI Central Executive Committee to proactively respond to climate change, enhance natural resource management, and environmental protection.

[1] According to Tran Dinh Hiep, Quang Binh Department of Agriculture and Rural Development: https://skhcn.quangbinh.gov.vn/3cms/upload/khcn/File/TapChiKHCN/2015/so3/4.pdf

[2] for reference and integration into the analysis results of public investment in climate change in each province.

Currently, the province is also implementing updating action plans to respond to climate change for the period 2021 – 2030 2050 agenda for Quang Binh province, and the Quang Binh Provincial Climate Assessment Project. Overall, local guidance and implementation is consistent with the international accords on climate change response.

To effectively implement Decision No. 2053/QD-TTg dated October 28, 2016 of the Prime Minister, the Provincial People's Committee proposed schools, ministries and central branches synchronize climate documentation, issue the Law on Climate Change; increased local funding support for climate change, natural resource management, and environmental protection projects as well as the implementation of the assigned tasks in Decision 2053 of the Prime Minister Goverment; Quang Binh is also allocating centralized development investment capital and ODA loans[3].

Through Quang Binh province has taken measures to bolster GHG emission reduction and green growth efforts in agricultural production. Examples include: i) applying SRI improved rice production techniques for rice farmers to reduce greenhouse gas (CO_2, CO, CH_4); ii) guide breeders to apply biosafety and epidemic safety measures; iii) treat waste by biological Means; and iv) use probiotics to limit odor and reduce emissions. Ongoing efforts to develop and implement tolimit deforestation, forest degradation, promote sustainable management of forest resources, conservation and enhancement of forest carbon stocks are underway as well [4].

2. Summary of Data on Climate Change Investment in Quang Binh

2.1 Budget sources for climate change investment

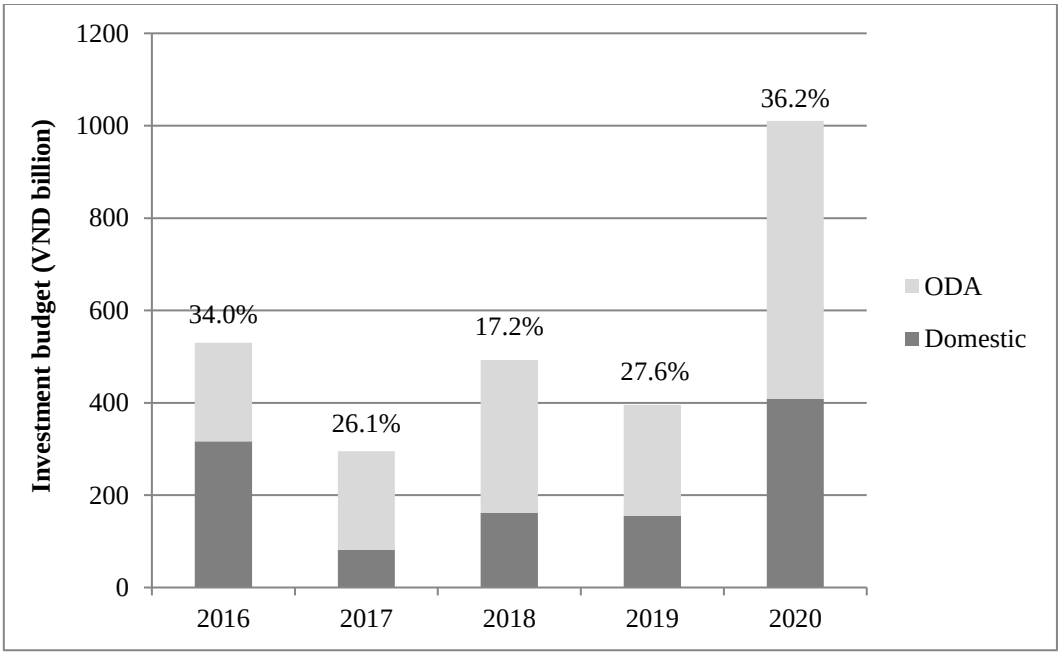


Figure 1: The total investment budget for climate change at Quang Binh *– the percentage that the climate change budget represents of the total Provincial development investment budget is shown as a % on the top of each bar.*

[3] According to: https://stnmt.quangbinh.gov.vn/3cms/thuc-hien-cac-dieu-uoc-quoc-te-ve-ung-pho-voi-bien-doi-khi-hau.htm
[4] According to: https://stnmt.quangbinh.gov.vn/3cms/quang-binh-thuc-hien-thoa-thuan-paris-ve-bien-doi-khi-hau.htm

Table 1: Investment for climate change in Quang Binh by year from 2016 to 2020 and by capital source

Year	Domes. Invest. in climate change (billion VND)	Foreign investment in climate change (billion VND)	Total invest. in climate change (domes. + foreign capital) (billion VND)	Rate of domest. Invest. in climate change (%)	Rate of ODA Invest. in climate change (%)	Total public invest. of the province (billion VND)	Ratio of investment in climate change to total public investment of the province (%)
2016	316,5	213,8	530,3	59,7	40,3	1.558,8	34,0
2017	81,9	213,0	294,9	27,8	72,2	1.131,7	26,1
2018	161,8	330,5	492,3	32,9	67,1	2.854,1	17,2
2019	155,1	240,2	395,3	39.2	60,8	1.433,7	27,6
2020	408,8	601,9	1,010,7	40,4	59,6	2.794,1	36,2

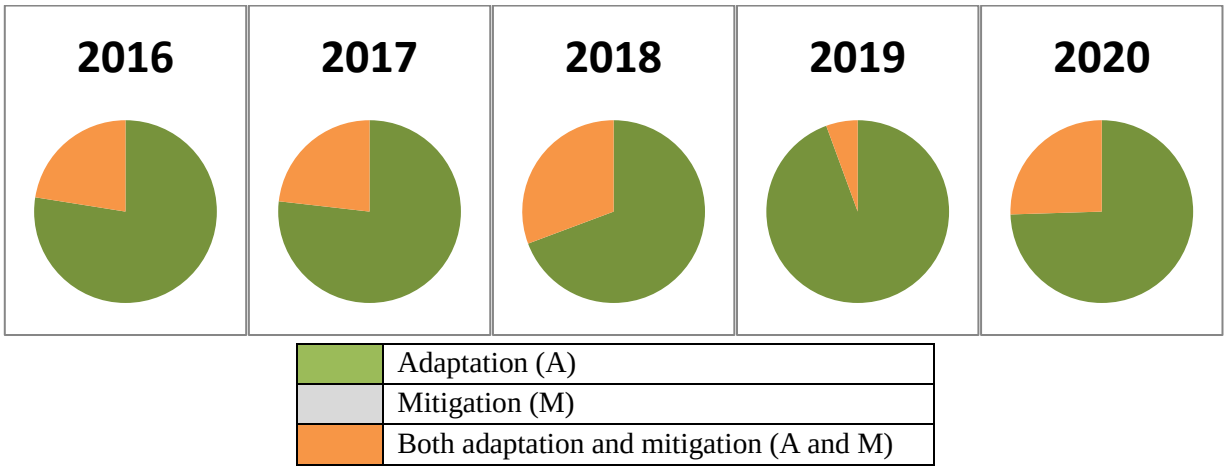
Average investment spending on climate change for the 2016-2020 period in Quang Binh province wasVND 545 billion/year. The budget was highest in 2020 (VND 1,011 billion) and lowest in 2017 (VND 295 billion).

In the 2016-2020 period, the annual average annual domestic expenditure on climate change investment was VND 225 billion, or 41% of the total investment expenditures. ODA contributed VND 320 billion, or 59% of the total investment expenditure. The proportion of ODA investment varied from 40% in 2016 to 72% in 2017.

The proportion of investment spending on climate change over the total development investment expenditure in the whole province rose from 17.2% to 36.2%, averaging of 27.9% for the 5-year period.

2.2 Purpose of the investment budget for climate change

a) The "adaptation" or/and "mitigation" project type distribution:

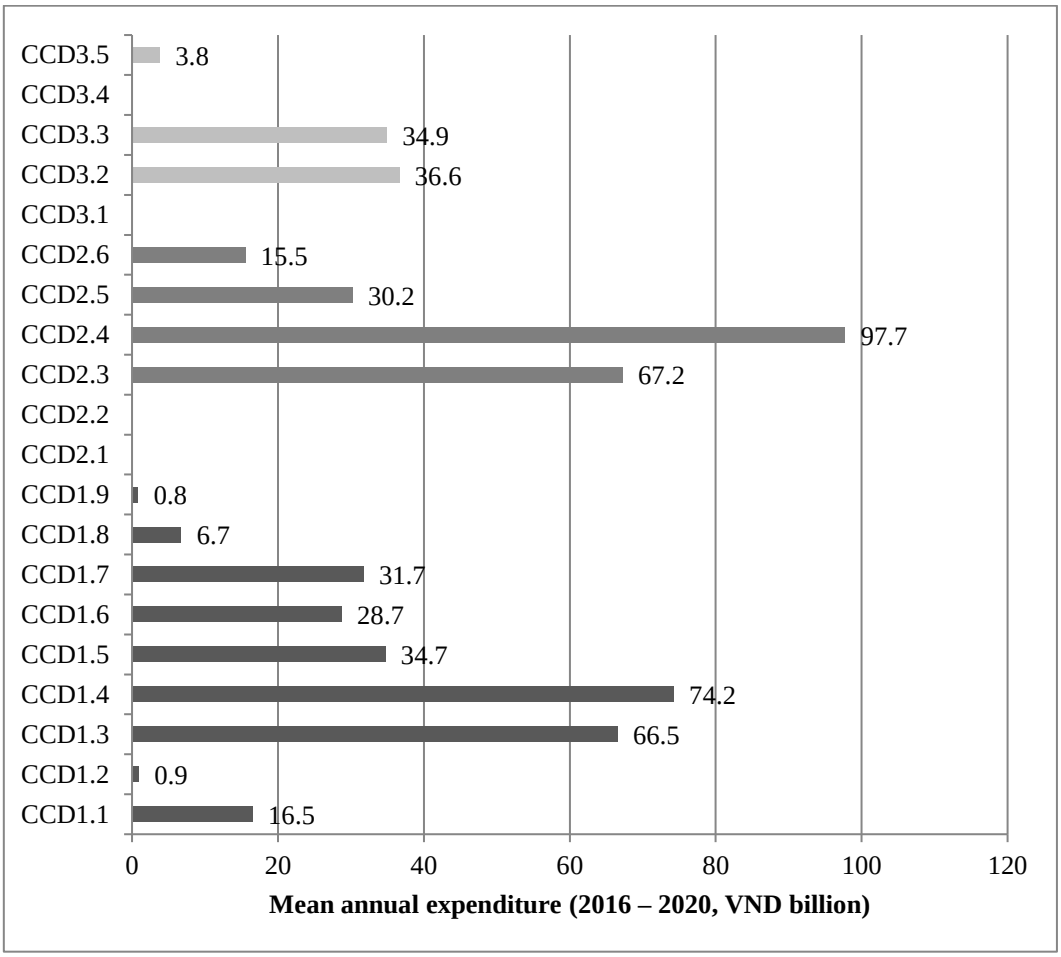


Detailed investment data for climate change adaptation and mitigation

Billion Dongs/%	2016		2017		2018		2019		2020	
Adaptation (A)	410,8	77,5%	226,4	76,8%	341,4	69,3%	373,1	94,4%	759,9	74,5%
Mitigation (M)	-	0,0%	-	0,0%	-	0,0%	-	0,0%	-	0,0%
Both adaptation and mitigation (A and M)	119,5	22,5%	68,5	23,2%	150,9	30,7%	22,2	5,6%	260,8	25,5%

In Quang Binh , investment projects directed towards adaptation account for about 77% of the overall climate budget. No mitigation projects can be accounted for but multi-purpose projects that contribute to both contributing to mitigation and adaptation, attained a total investment of about VND 622 billion, or23% of the climate budget. These mixed projects include coastal protection forest protection, urban drainage and sanitation project, andrestoration and sustainable management of natural resources in Phong Nha - Ke Bang area.

b) Allocate investments in response to climate change (CCD) according to specific tasks (Average annual spending in the 2016-2020 period; Unit: billion dong)



There were 16 climate investment projects, with the five largest investment areas as follows:

- Waste management and treatment (VND 97.7 billion/year) accounting for 17.9%;
- River dyke and embankment (VND 74.2 billion/year), accounting for 13.6%;
- Traffic, (VND 67.2 billion/year),accounting for 12.3%;
- Irrigation, (VND 66.5 billion/year), accounting for 12.7% and;

- Energy efficiency, (VND 36.6 billion/year) (specifically the project of supplying electricity by solar energy to the villages of 10 national grid communes that cannot come from Korean funding), accounting for 6.7%.

Investment in other fields ranged from VND 1 billion to 35 billion/year.

Considering local responses, solely the Plan for Implementation of Paris Agreement (PIPA) and Climate Change Action Plan (CCAP) are available for reference, but not the provincial Green Growth Action Plan (GGAP). The above investment areas are in line with the priority directions in local policies to respond to climate change.

2.3 Budget expenditure from ODA

The 5 largest climate change-related ODA projects are listed below (Project name, capital source, investment period, share of total ODA investment):

1. Dam lake repair and improvement project (WB8) (2016-2020, 15.6%)
2. The project of urban drainage and sanitation in Ba Don (Denmark) (2016-2020, 13.2%)
3. Upgrading dikes, embankments to protect riverbanks and planting mangroves to cope with climate change in coastal communes and dunes in Ba Don town, Quang Binh province (2016-2020, 10.0%)
4. Project on supplying electricity by solar energy in Quang Binh province to villages of 10 national grid communes that cannot reach (Korea) (2016-2020, 9.8%)
5. Dong Hoi City Environmentally Sustainable Project (WB) (2016-2020, 8.7%)

2.4 Policy and planning instruments

Instrument	Yes (√) or No (X)
Local NTP-RCC, report period to 2015	√
Climate Change Action Plan	√
Green Growth Action Plan	X
Plan for Implementation of Paris Agreement	√
Others: none	