CLIMATE PUBLIC EXPENDITURE AND INVESTMENT REVIEW (CPEIR) – PERIOD 2016-2020 – KIEN GIANG PROVINCE

1. Climate change in Kien Giang

General introduction

Situated in the Mekong Delta region, Kien Giang is the southwestern coastal province of Vietnam. The capital of the province is Rach Gia city, some 250 kilometres west of Ho Chi Minh City. Kien Giang borders Cambodia to the north with a 54 km long border, and the Gulf of Thailand to the west along with a coastline of more than 200 km.

In 2018, Kien Giang's population was an estimated 1.8 million. The gross regional domestic product (GRDP) per capita reached VND 48.2 million (USD 2,094). The GRDP of the province was VND 87.3 trillion (USD 3.79 billion). The province experienced a GRDP growth rate of 7.51% in 2018.

With a very developed fishing sector and a marine area of about 63,000 km^2, Kien Giang shows great potential for economic development of other sectors of the blue economy.

In recent years, Kien Giang has been de-emphasizing agriculture by gradually increasing the proportion of non-agricultural sectors. The agriculture, forestry and fishery sector declined 1% to 36% in 2019 compared to 2018. The industry and construction sector increased from 26.6% to 28.7% and the services sector decreased slightly from 36.4% down to 35.3%.

The impact of climate change on Kien Giang

Kien Giang's geographic location leaves the province especially vulnerable to the effects of climate change. In particular, saltwater intrusion, storm surges, drought, tornadoes, floods have been especially devastating causing severe economic damage.

Activities to respond to climate change in Kien Giang[1]

Implementing the National Target Program to Respond to Climate Change, Kien Giang seeks to: 1) raise awareness through communication activities on climate change for management at all levels and residential communities and 2) identify priority projects to invest in such as the construction of Song Kien sluice, Kenh Cut culvert and Kinh Trach sewer (Rach Gia city); "Investment in upgrading sea dikes from Ha Tien to Tieu Dua" (design phase), "Integrated coastal management in Kien Giang province to respond to climate change and sea level rise", etc.

[1] According to MONRE: https://www.cantho.gov.vn/wps/wcm/connect/sotnmt/sub+site/sitemenu/linhvucquanly/khituongthuyvan/kien+giang+-+can+3000+ty+dong+ung+pho+voi+bdkh

According to the report of the Department of Natural Resources and Environment of Kien Giang Province, currently the province has numerous programs on climate change response managed by departments. Some projects are sponsored the implementation by the international cooperation organization of Germany - GIZ. However, it is difficult to track progress as well as evaluate effectiveness. Progress in implementing several investment projects to respond to climate change and sea level rise is stalled because funds have not funds have not been allocated for implementation or slow from the central budget.

The construction of climate change response works in Kien Giang will contribute to the control of salinity and wastewater drainage. Closing the sea dyke route passing through Rach Gia city, forming a coastal traffic route connecting economic clusters, population, coastal urban area, ensuring security, national defence and tourism will incrementally improve resilience.

2. Summary of Data on Climate Change Investment in Kiên Giang

2.1 Budget sources for climate change investment

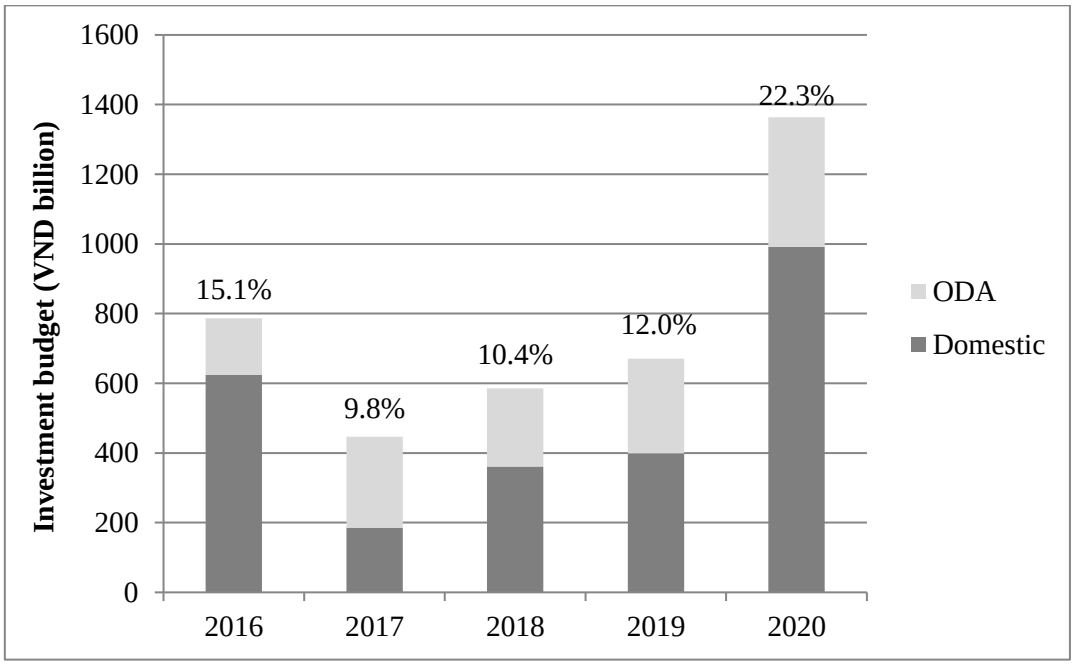


Figure 1: The total investment budget for climate change at Kien Giang *– the percentage that the climate change budget represents of the total Provincial development investment budget is shown as a % on the top of each bar*

Table 1: Investment for climate change in Kien Giang 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	623.9	162.9	786.8	79.3	20.7	5,226.6	15.1
2017	185.7	261.3	446.9	41.5	58.5	4,538.9	9.8
2018	361.6	223.9	585.6	61.8	38.2	5,619.2	10.4
2019	398.7	272.4	671.1	59.4	40.6	5,582.6	12.0

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 (%)
2020	991.6	371.9	1,363.5	72.7	27.3	6,109.0	22.3

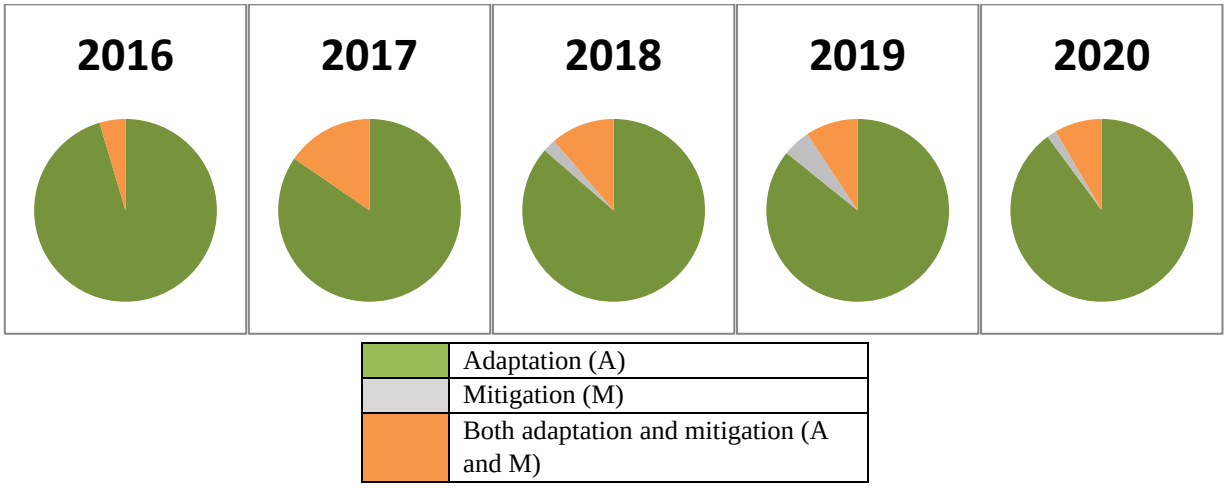
Average investment spending on climate change for the 2016-2020 period in Kien Giang was estimated at VND 770 billion/year. Climate change investment budgets were highest in 2020 (VND 1,364 billion), and lowest in 2017 (VND 447 billion).

Over the 5-year period, average annual domestic spending on climate change was VND 512 billion, accounting for about 67% of the total investment. ODA contributed much less, VND 259 billion, or 33%. The share of ODA investment shifted from a low of 20.7% in 2016, to a high of 58.5% in 2017.

The proportion of investment spending on climate change to total development investment expenditures shifted year by year, from 10% - 22.0% (average 14%).

2.2 Purpose of the investment budget for climate change

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



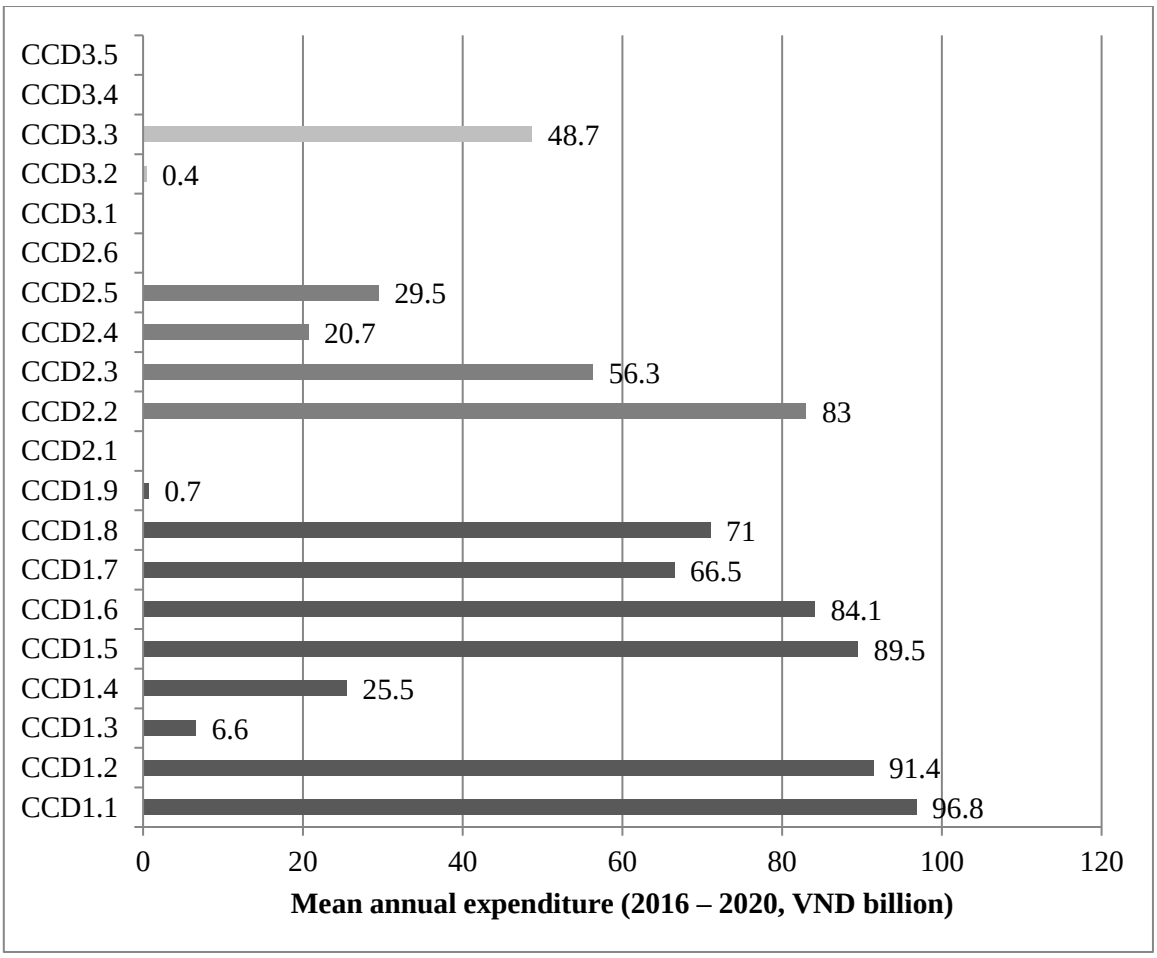
Detailed investment data for climate change adaptation and mitigation

Billion Dong	2016		2017		2018		2019		2020	
Adaptation (A)	750.5	95.4%	377.9	84.6%	506.1	86.4%	576.0	85.8%	1,225.8	89.9%
Mitigation (M)	-	0.0%	-	0.0%	13.6	2.3%	32.8	4.9%	23.8	1.7%
Both adaptation and mitigation (A and M)	36.3	4.6%	69.0	15.4%	65.9	11.3%	62.3	9.3%	113.9	8.4%

The majority of investments related to climate change are in the adaptation sector, which accounts for nearly 90%. The province had several investment projects seeking mitigation, with a total investment of more than 70 billion VND. These are generally affiliated with the management and treatment of domestic and medical waste. Several mixed projects have a total investment of up to nearly 350 billion VND. These mixed

projects are coastal protection, forest development, waste collection and treatment, as well as development and rehabilitation of mangrove belts.

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



Climate change investment in Kien Giang is quite diverse with 15 investment themes. The focus areas, accounting for nearly 60% of total investment, including:

- CCD 1.1 (Coastal and coastal protection; investment VND 96.8 billion/year, accounting for 12.6%),
- CCD 1.2 (Saline intrusion; investment VND 91.4 billion/year, accounting for 11.9%),
- CCD 1.5 (Water quality and supply; investment VND 89.5 billion/year, accounting for 11.6%),
- CCD 1.6 (Rural development and food security; investment VND 84.1 billion; accounting for 10.9%) and
- CCD 2.2 (Resilience of urban and residential areas; investment VND 83.0 billion; accounting for 10.8%).

The other 10 investment topics are scattered, with investment volume from less than 1 to 71 billion/year.

Climate change investment in Kien Giang in accordance with the content of Green Growth Action Plan (GGAP) are CCD 1.6 and CCD 2.2 mentioned. The investment projects listed above are in line with local natural and economic conditions, contributing to socio-economic development,climate change response (mainly adaptation), and green growth.

2.3 Budget expenditure from ODA

Here are the 05 (five) biggest ODA projects for climate change (Project name, funding

source, investment period, share of total ODA investment):

1. Mekong Delta Urban Upgrading Project - City sub-project. Rach Gia (2016-2020, 31.9%)
2. Integrated climate resilience and sustainable livelihoods in the Mekong Delta (MD_ICRSL) - WB9 (2016-2020, 26.1%)
3. Western coastal salinity control works in Rach Gia, Chau Thanh and Kien Luong areas (category: Canal Tributary and Ta Nien canal) (2016-2020, 16.2%)
4. Project on protection and development of protection forests along Hon Dat - Kien Ha for the period 2016-2020 (2016-2020, 13.3%)
5. Project on Restoring and Developing Coastal Protection Forest in Kien Giang Province Phase 2015-2020 (2016-2020, 5.1%)

2.4 Policy and planning instruments

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