CLIMATE PUBLIC EXPENDITURE AND INVESTMENT REVIEW (CPEIR) – PERIOD 2016-2020 - KON TUM PROVINCE

1. Climate change in Kon Tum

General introduction

Kon Tum is the northernmost province of the Central Highlands, Indochina junction, and is just west of the Truong Son mountains.

In 2018, the population of Kon Tum numbered 534,000 people with a gross regional domestic product (GDRP) per capita of VND 37.5 million (equivalent to USD 1,628). The total GRDP value of the province was VND 20.1 trillion in 2018 as well (USD 870 million). Having experienced a GRDP growth rate of 8.1% in 2018 and 9.9% in 2019, income per capita rose by VND 3.8 million/month. Here, the agriculture, forestry and fishery sector 5.6%, industry and construction 15.8%, and service sector 9.2%.

Primarily a provincial economy driven by agriculture, the major crops in production are rubber (area 74,167 ha), coffee (21,619 ha), pepper, and Ngoc Linh ginseng among others. The processing, manufacturing and electricity distribution industries have notable advantages while Kon Tum has strong potential for tourism development.

Kon Tum had an economic growth target of 12% for 2020, with a strategy orientedtowards economic restructuring of industry and services and a focus on sustainable growth to realize the goals of the 2016-2020 socio-economic development plan.

The impact of climate change on Kon Tum

The increased frequency and impact of extreme weather events such as flash floods, tube floods, thunderstorms, typhoons, hailstorms, landslides, rockslides, heat, and drought have been attributed to climate change in recent years [1]. A particularly notable event was the occurrence of storms in early 2018 which caused severe landslides, damaging several hundred houses. The associated sedimentation and inundation damaged more than 200 hectares of crops, drowned cattle in flood waters, damaged over 60 irrigation works, traffic routes, bridges, and culverts, with estimated total damages of over VND 170 billion[2].

[1] Impacts of natural disasters and climate change: A case study in Kon Tum province. http://en.tnu.edu.vn/Uploads/Articles/Files/371/CLIMATE%20CHANGE%20AND%20ENVIRONMENT.1.Effects%20of%20Climate%20Change-Nguyen%20Tuan%20Anh.pdf

[2] https://baotainguyenmoitruong.vn/kon-tum-canh-bao-lu-lut-lu-quet-va-sat-lo-dat-241654.html

Activities to respond to climate change[3]

Several key policies and action programs to address climate change in Kon Tum province are:

- Issuance and implementation of policies and programs to develop sustainable livelihoods for people impacted natural disasters and climate change Program and action plan to implement the Strategy for natural disaster prevention and impact mitigation for the period 2008-2020.
- Master project on overcoming the consequences of typhoon No. 9, for economic recovery in Kon Tum province in the period 2010-2015.
- Raising community awareness and disaster risk management project .
- Promulgating and implementing the Action Plan to respond to climate change for 2020 with an orientation to 2030, with highlights being:
    - Assessing changes in climate factors, determining climate change scenarios, impacts of climate change on each geographical region and economic sectors, as well as proposing solutions to adapt, respond, and limit the negative impacts of climate change for 2020 withvision to 2030 with a cooresponding list of projects and priority tasks.
    - Assessing the impacts of climate change key actors can such that integrate climate change-related issues into programs, projects, strategies into the Action Plan for to s for the development plan of the province.
    - To successfully implement the Action plan, there are solutions in place in the form of mechanisms and policies; science and technology; strengthening management capacity; financial solutions; regional and international cooperation; and Communication.
- The DONRE is currently developing and updating the action plan to respond to climate change for the 2021-2030 period, with vision to 2050 as well as an assessment of climate change in the province.

2. Summary of Data on Climate Change Investment in Kon Tum

2.1 Budget sources for climate change investment

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

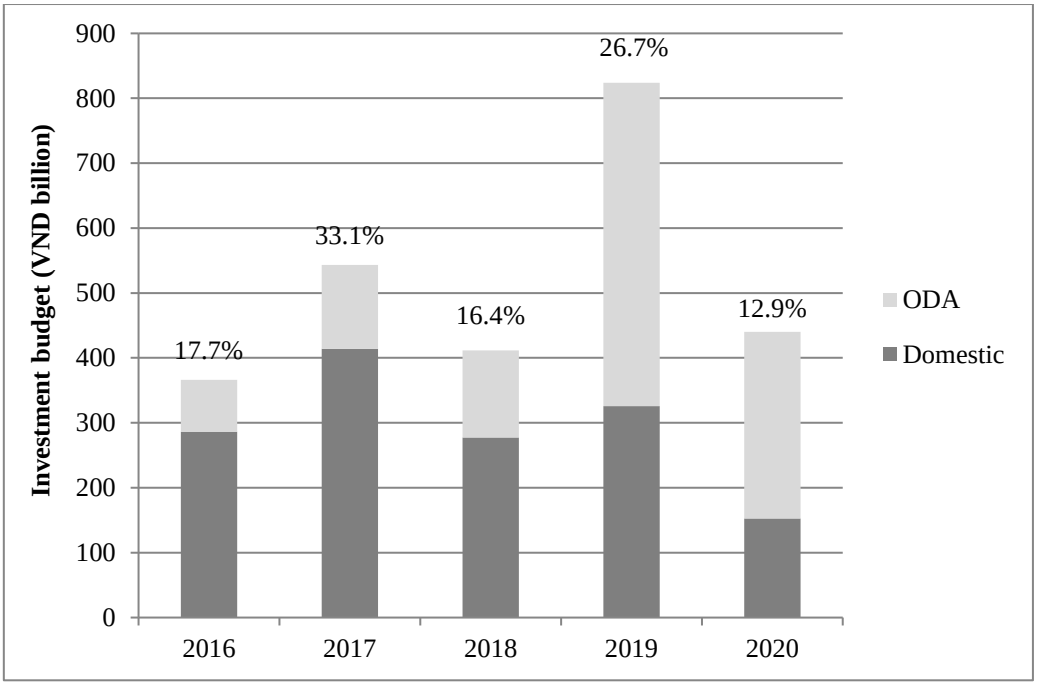


Figure 1: The total investment budget for climate change at Kon Tum *– the percentage that the climate change budget represents of the total Provincial development investment budget is shown as a % on the top of each bar.*

Table 1: Investment for climate change in Kon Tum 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	286.3	79.7	366.0	78.2	21.8	2,065.4	17.7
2017	414.2	128.8	543.1	76.3	23.7	1,638.8	33.1
2018	277.6	133.9	411.5	67.5	32.5	2,504.9	16.4
2019	325.9	498.1	824.0	39.6	60.4	3,082.6	26.7
2020	152.7	287.3	440.0	34.7	65.3	3,410.7	12.9

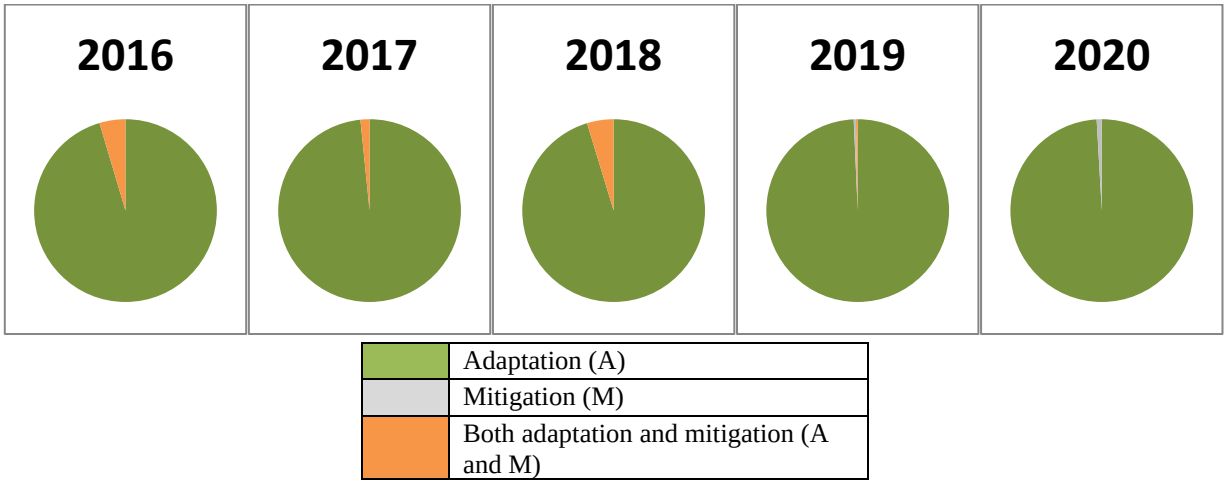
Investment spending on climate change for the 2016-2020 period in Kon Tum province averaged VND 517 billion/year. The budget was the highest in 2019 (VND 824 billion) and lowest in 2016 (VND 366 billion), the year when the medium-term plan started .

Over the 5-year period, the annual domestic expenditure on climate change investment averaged VND 291 billion, or 56.4% of total investment expenditures. ODA sources contributed VND 225 billion, or 43,6%. The proportion of ODA investment varied by year, with the lowest as 21.8% in 2016 and highest as 65.3% in 2020.

The proportion of investment spending on climate change over the total development investment expenditure rose from 12.9% to 33.1%, with an average of 20.3% for the whole study period.

2.2 Purpose of the investment budget for climate change

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

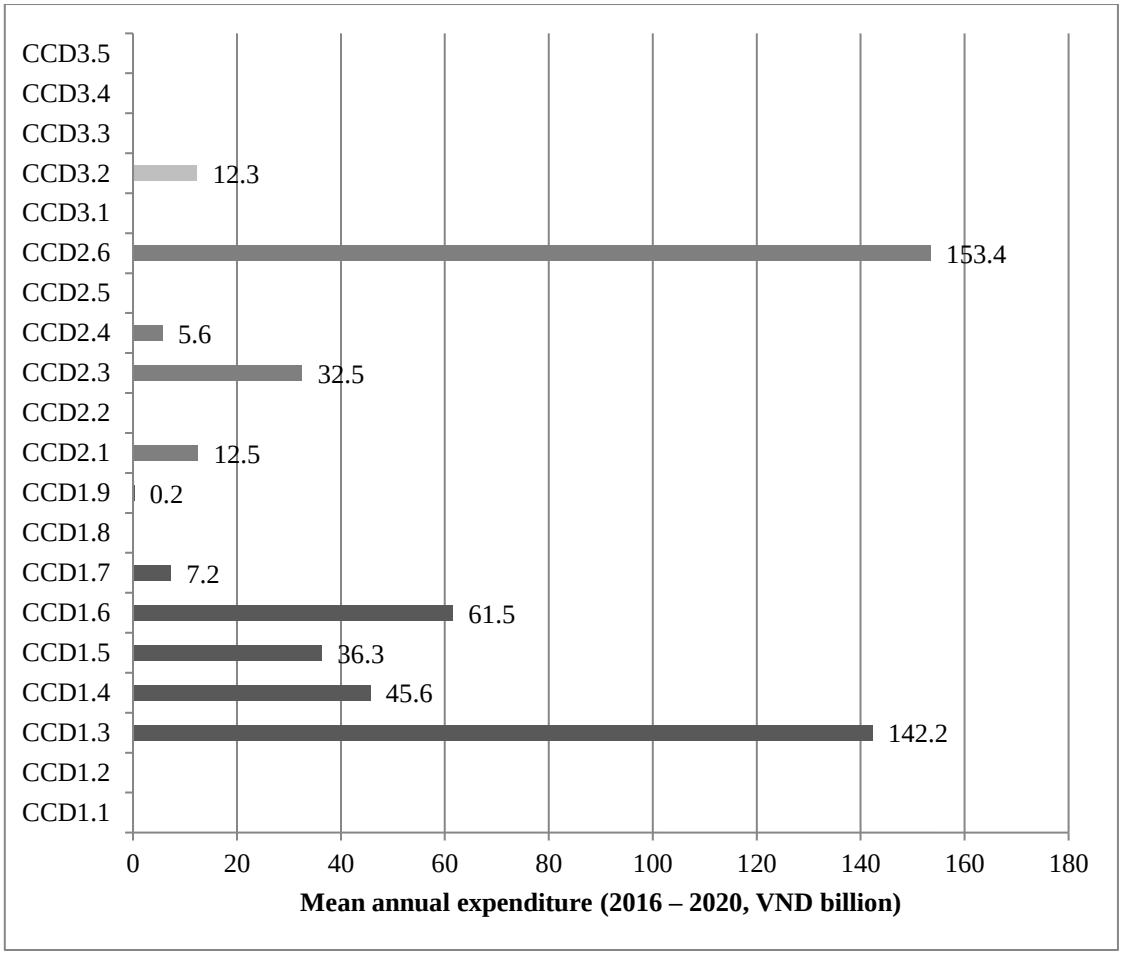


Detailed investment data for climate change adaptation and mitigation

Billion Dongs/%	2016		2017		2018		2019		2020	
Adaptation (A)	349.2	95.4%	534.3	98.4%	392.0	95.3%	818.5	99.3%	436.2	99.1%
Mitigation (M)	-	0.0%	-	0.0%	-	0.0%	3.0	0.4%	3.9	0.9%
Both adaptation and mitigation (A and M)	16.8	4.6%	8.7	1.6%	19.5	4.7%	2.4	0.3%	-	0.0%

In Kon Tum, most the investment projects related to climate change were dedicated to the adaptation, accounting for 98% of the climate change investment budget. Mitigation projects composed just VND 7 billion. Contributions to combined mitigation and adaptation were made between 2016-2019, with a total investment of about VND 47.5 billion. Examples of mixed projects are protection and integrated management projects of forest ecology in Quang Nam, Kon Tum and Gia Lai provinces and the Chu Mom Ray National Park investment support project.

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



Two projects garnered the majority of expenditures, namely: CCD 2.6, Enhancing disaster risk reduction with an investment of over VND 153 billion /year, or 30% of the budget and CCD 1.3, Irrigation with VND 142.2 billion/year or 27.9%.

In addition, 08 other investment related areas of interest included:

- CCD 1.6 (Rural development and food security: investment of VND 61.5 billion/year, or 12.1%),
- CCD 1.4 (Dyke and river protection embankment: VND 45.6 billion/year, or 8.9%),
- CCD 1.5 (Water quality and supply: VND 36.3 billion/year, or 7.1%),
- CCD 2.3 (Traffic: VND 32.5 billion/year; or 6.4%).

The remaining tasks have small investments, from VND 0.2 billion to 12.5 billion/year.

Regarding local policies, the Provincial People's Committee issued and implemented the National Target Program to Respond to Climate Change (NTP-RCC), Climate Change Action Plan (CCAP), Green Growth Action Plan (GGAP) and Plan for Implementation of Paris Agreement (PIPA). Despite acquiring most of the investment, the fields indicated above (CCD 2.6, CCD 1.3, CCD 1.6) are not clearly reflected in the GGAP and PIPA. The Climate Change Action Plans (CCAPs) documents may cover these areas, but this is cannot yet be verified.

2.3 Budget expenditure from ODA

Here are the 05 (five) biggest ODA projects for climate change (Project name, capital source, investment period, Share of total investment from ODA):

1. Dak PoKei water reservoir (2016-2020, 28.5%)

2. Project on poverty reduction in the Central Highlands region - Kon Tum province (2016-2020, 28.3%)
3. Repair and upgrade to ensure reservoir safety (Dam Safety Improvement and Repair Project (WB8)) (2016-2020, 12.3%)
4. The Project of Rural Infrastructure Development for Production in Central Highlands Provinces (2016-2020, 10.5%)
5. Scaling up rural sanitation and clean water based on results from 2016 to 2020 (2016-2020, 9.2%)

2.4 Policy and planning instruments

Instrument	Yes (√) or No (X)
Local NTP-RCC, report period to 2015	√
Climate Change Action Plan	√[4]
Green Growth Action Plan	√
Plan for Implementation of Paris Agreement	√
Others: none	

[4] On April 9, 2012, the Provincial People's Committee issued Decision No. 314/QD-UBND approving the Action Plan to respond to climate change of Kon Tum province; and On August 25, 2020; And, the Provincial People's Committee issued the Plan No. 3156/UBND-NNTN on the implementation of the Prime Minister's Decision No. 1055/QD-TTg dated July 20, 2020 on the national adaptation plan with climate change period 2021 - 2030, vision to 2050.