CLIMATE PUBLIC EXPENDITURE AND INVESTMENT REVIEW (CPEIR) – PERIOD 2016-2020 - HA TINH PROVINCE

1. Climate change in Ha Tinh

General introduction

Ha Tinh, situated in the North Central region, is characterised by a coastline of 137 km long with large estuaries, a harsh climate, a prolonged drought period in summer months, and cold winds and rain in winter.

In 2020, the population of the province stood at 1.3 million. The gross regional domestic product (GRDP) per capita reached VND 63 million (equivalent to USD 2,700)[1]. Historically, the economy of Ha Tinh mainly relied on agriculture, forestry, fishery, and handicrafts. Substantial economic restructuring has seen sectoral shifts towards industry and services in recent years.

In 2018, the GRDP growth rate was about 20.8%, however, because of the Covid-19 epidemic, the economic growth has dropped sharply in recent years. It was 9,4% in 2019 but reduced to only 0.5% in 2020.

In 2020, the GRDP value of the province (at current prices) was about VND 81,818.42 billion. In which, the agriculture, forestry and fishery sectors was VND 12,940.29 billion, accounting for 15.81%; the industry and construction sectors was estimated at 34,322.17 billion VND, accounting for 41.95%; the service sector estimated at 27,612.81 billion VND, accounting for 33.75%; and the area of product tax minus product subsidies was estimated at VND 6,943.16 billion, accounting for 8.49%.[2]

The impact of climate change on Ha Tinh[3]

Over the last two decades, climate change-related shifts have resulted in gradual warming, prolonged heat waves, heavy and unusual rain leading to floods, droughts, and saltwater intrusion across the province.

Average annual temperatures in the period 2000 - 2009 increased by 0.3 to 0.6^{0}C compared to previous 30 to 50 years. Seasonally, average winter temperatures in the period 2000-2009 rose 0.6 to 1.2 ^{0}C in comparison with the past. But Huong Khe is notableconsidering temperature increases of between 0.7 to 1.4^0 C. Prolonged severe heat (36 - 40 ^{0}C) periods have increased in frequency over the past 20 years. Meanwhile, the rainfall has decreased significantly and with large variation in both space and time, as well as intensity.

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[1] From the source: https://laodong.vn/thoi-su/ha-tinh-du-kien-tang-truong-kinh-te-nam-2020-dat-053-860052.ldo

[2] According to: https://hatinh.gov.vn/vi/chi-dao-dieu-hanh/tin-bai/8946/tinh-hinh-kinh-te-xa-hoi-tinh-ha-tinh-nam-2020#:~:text=D%E1%BB%B1%20%C6%B0%E1%BB%9Bc%20t%E1%BB%95ng%20v%E1%BB%91n%20%C4%91%E1%BA%A7u,5%25%20so%20v%E1%BB%9Bi%20n%C4%83m%202019.&text=Do%20%C4%91%C3%B3%2C%20ngu%E1%BB%93n%20v%E1%BB%91n%20khu,93%25%20so%20v%E1%BB%9Bi%20n%C4%83m%20tr%C6%B0%E1%BB%9Bc.

[3] According to: https://baotainguyenmoitruong.vn/bao-ve-nguon-nuoc-truoc-nhung-thach-thuc-bien-doi-khi-hau-o-ha-tinh-bai-3-hay-canh-giac-truoc-nguy-co-doi-ngheo-vi-nuoc-232437.html

Ha Tinh often affected by natural disasterssuch as storms, floods, flash floods, thunderstorms, landslides, and droughts appear with increasing frequency and intensity.

Meanwhile, available water resources are in retreat. The water level of rivers and streams in Ha Tinh is low during the dry season. The lowest water level ever recorded, 143 cm (27th June 2010), appeared in Linh Cam on Song La.

Shiftingrain patterns have contributed to serious floods during the rainy season and droughts in the dry season.I Increasing salinity intrusion little available water for agricultural irrigation. Climate change also increases the intensity and frequency of hurricanes and storms causing massive floods and inundation, flash floods, landslides and erosion, which increases freshwater shortages.

Activities to respond to climate change [4]

In terms of policy, on October 26, 2016, the Provincial People's Committee issued Decision No. 3029 / QD-UBND approving the update of action plan to respond to climate change in Ha Tinh province, 2016 period. - 2020, including several priority project activities for implementation in the period 2016-2020. Below are some typical projects related to climate change, with international support for Ha Tinh province:

- A joint Viet-Belgian project titled "Integrated water resources management and urban development in relation to climate change in Ha Tinh province" (IWMC), was part of an ongoing cooperative response to climate change between 2013-2019. With a total capital cost of EUR 8.8 million, the overall objective was to support institutional development for integrated water resource management and urban developmental adaptations to climate change in Ha Tinh. Outcomes include studies and proposed structural and non-structural solutions to ensure water drainage for the city.
- Another project supporting involves non-refundable ODA from the German Government, which invested 1.2 million EUR for the purpose of buidlnig adaptive smart agriculture. Commencing imminently, the project will plan and implement ecosystem-based adaptation measures with community participation to manage climate risks. Climate change adaptation for poor households in vulnerable districts in Ha Tinh.

2. Summary of Data on Climate Change Investment in Ha Tinh

2.1 Budget sources for climate change investment

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

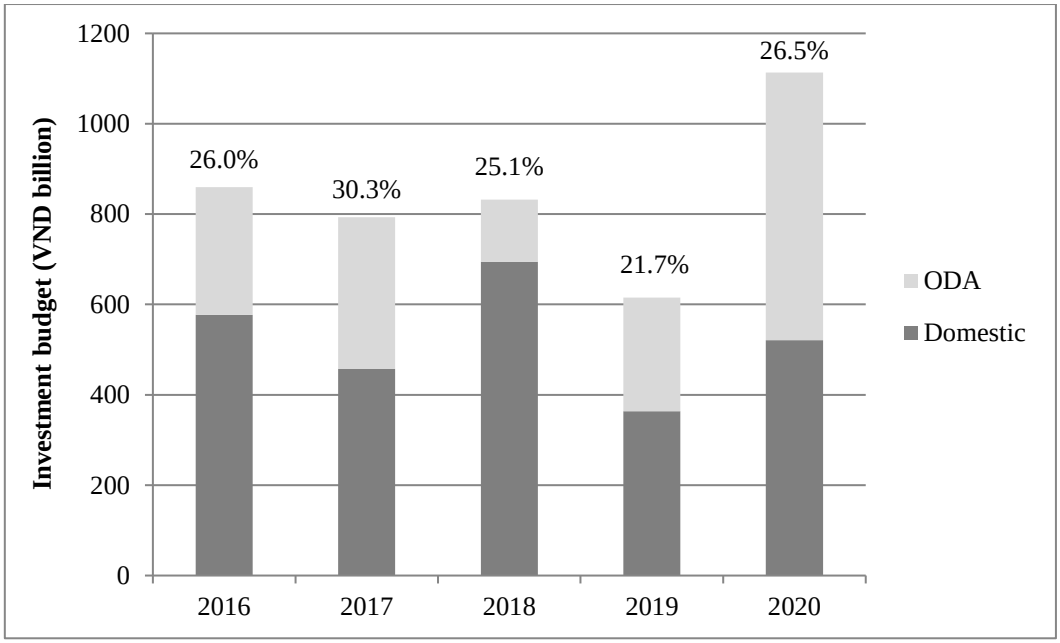


Figure 1: The total investment budget for climate change at Ha Tinh *– the percentage that the climate change budget represents of the total Provincial development investment budget is shown as a % on the top of each bar.*

Table 1: Investment for climate change in Ha Tinh 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	576,8	282,8	859,6	67,1	32,9	3.304,6	26,0
2017	457,4	335,7	793,1	57,7	42,3	2.613,9	30,3
2018	694,5	137,2	831,8	83,5	16,5	3.309,9	25,1
2019	363,9	250,9	614,9	59,2	40,8	2.830,6	21,7
2020	521,2	592,1	1.113,3	46,8	53,2	4.197,0	26,5

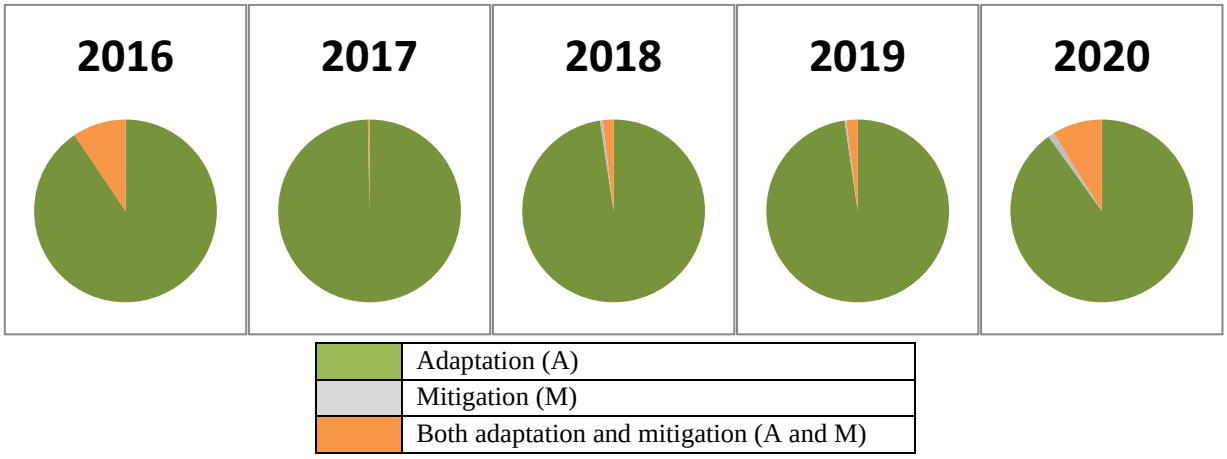
Investment spending on climate change in the 2016-2020 period in Ha Tinh averagedVND 843 billion/year. The investment budget for the climate was highest in 2020 (VND 1,113 billion) and lowest in 2019 (VND 615 billion).

Over the 2016-2020 period, the annual domestic investment expenditure on climate change averaged VND 523 billion, accounting for 62% of the total investment expenditure. ODA contributes about VND 320 billion each year, or 38% of the climate investment budget. The proportion of ODA investment varies from year to year, ranging from 16.5% in 2017 to 53.8% in 2020.

The proportion of investment spending on climate change over the total development investment expenditure of the whole province varied from 21.7% to 30.3%, or an average of 25.9% for the 5-year period.

2.2 Purpose of the investment budget for climate change

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

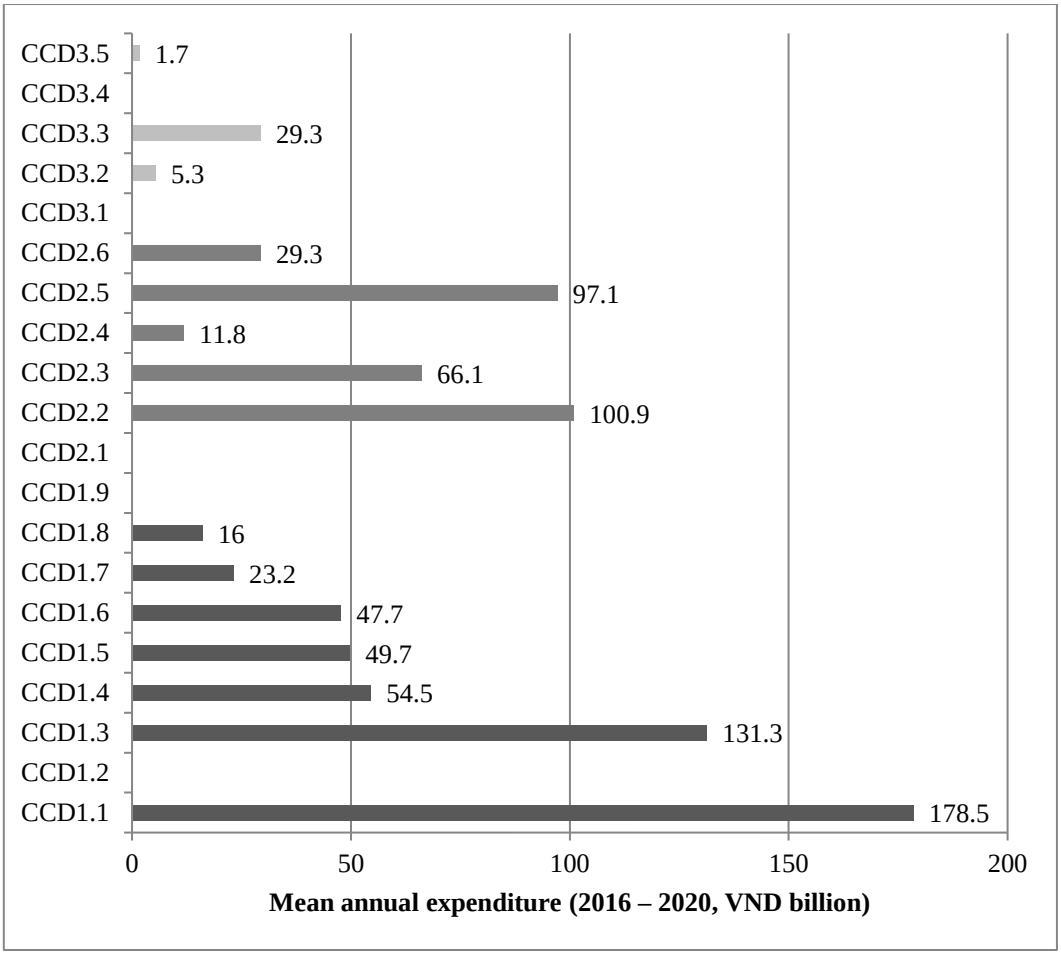


Detailed investment data for climate change adaptation and mitigation

Billion Dongs/%	2016		2017		2018		2019		2020	
Adaptation (A)	779,0	90,6%	790,3	99,7%	812,2	97,6%	600,9	97,7%	1,002,6	90,1%
Mitigation (M)	-	0,0%	-	0,0%	4,1	0,5%	2,0	0,3%	12,2	1,1%
Both adaptation and mitigation (A and M)	80,6	9,4%	2,7	0,3%	15,5	1,9%	12,0	2,0%	98,5	8,8%

In Ha Tinh, climate change-related investment projects \are mostly allocated towards adaptation, making up to 95% of overall investment. The consutrion of incinerators, an organic fertilizer processing plant from domestic waste, and a rural electricity project are among few projects dedicated to mitigating GHG emissions. An investment of 18.3 billion on a multi-purpose [specify description of project] project, both mitigation and adaptation, has been implemented with an investment of up to VND 209 billion. This project has included protection and special-use forest development projects, production, low-carbon agriculture support projects, United Nations cooperation on reducing greenhouse gas emissions through efforts to limit deforestation and forest degradation, sustainable management of forest resources, conservation and enhancement of forest carbon stocks in Viet Nam (UN- REDD).

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



Regarding investment projects to respond to climate change in the province, 5 of the 15 main investment areas in decreasing order of investment are as follows:

- Coastal protection and coastal dyke protection (VND 178.5 billion/year) or 21.2% of total investment;
- Irrigation(VND 131.3 billion/year) or 15.6% of total investment;
- Residential and city area resilience(VND 109.4 billion/year) or 12% of total investment;
- Specialized disaster resilient infrastructure (VND 97.1 billion/year)or 11.5% of total investmetnt and;
- Transport/Traffic (VND 66.1 billion/year) or 7.9% of total climate investment

Other sectors have received compartatively small investments, ranging from billion 54.5 to 1.7 billion/year. Examples include river dyke and embankments (CCD1.4), water quality and supply (CCD1.5), and rural development and food security (CCD1.6).

Regarding local policies responding to climate change and green growth, Ha Tinh Provincial People's Committee issued and implemented the National Target Program to Respond to Climate Change (NTP-RCC 2015), Climate Change Action Plan (CCAP), Green Growth Action Plan (GGAP) and the Plan for Implementation of Paris Agreement (PIPA).Comments comparing the above public investment activities can be contrasted with local Action actions, or lack thereof, namely:

- Transport expenditure (vis-a-vis climate adaptation) is not reflected in any policy, where transport related actions are mitigation and fuel and transport mode related.

- Forestry expenditure is small compared to the many listed forestry related commitments in CC & GG policies.

- Actions on residential and city area resilience (significant expenditure) are limited in GG & CC policy actions.

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 ODA investment):

1. City Development Project Class II - Ha Tinh City (financed by ADB at loan 3044-VIE) (2016-2020, 20.7%)
2. Improving and upgrading the irrigation system for agricultural production and flood drainage for the Bac Thach Ha region, Thach Ha district, Ha Tinh province to respond to climate change (2016-2020, 13.6%)
3. Project living with floods in Vu Quang district (2016-2020, 10.8%)
4. Dam safety and repair (WB8) (2016-2020, 8.1%)
5. Basic infrastructure for comprehensive development in provinces of Nghe An, Ha Tinh, Quang Binh and Quang Tri "component of Ha Tinh province (2016-2020, 7.4%)

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	√
Plan for Implementation of Paris Agreement	√
Others: none	