



# Planning & Budgeting

## Integrated Coastal Management Programme

### Challenge

With Viet Nam among the 30 countries most affected by climate change, the country is now in urgent need of appropriate adaptation and mitigation measures. While government policies are being developed to this regard, such measures can only be properly delivered if public funds are made available for them. The challenge when developing climate-responsive planning and budgeting is therefore to create a public administration tool that bridges potential gaps between the formulation of climate-related policy and its actual implementation on the ground. With regard to ICMP's support and advisory role in the Mekong Delta, three main challenges have been identified:

- The potential disconnect between national and provincial policy-making and strategy formulation;
- The insufficient reflection of climate-related strategies and action plans in both the Socio-Economic Development Plans (SEDPs) and annual budgets; and
- The difficulty of tracking and marking climate-relevant expenditure for the purposes of monitoring the appropriateness of the plan or improving future policy-making decisions.

As more than 50% of the country's entire budget is spent at the provincial level and below, locally focused priorities would seem to be prerequisite. Although it is evident that provinces invest in adaptation-relevant infrastructure, provincial spending patterns do not necessarily correspond with those laid down in existing climate change action plans, nor do they appear to be reflected in medium-term SEDPs and annual budgets. All this points to an obvious gap between strategy and implementation.

### Our approach

#### Support for provincial climate planning and its integration in investment planning

In cooperation with GIZ's Macro-Economic Reform Programme, ICMP is working with Viet Nam's Ministry of Planning and Investment (MPI) on the formulation of its Provincial Green Growth Strategies and Action Plans (PGGAP) in the Mekong Delta, with the aim of closing the gaps between national and local climate change responses. The PGGAP approach seeks to ensure that plans are not just drawn up, but are also integrated into provincial SEDPs and annual budgets.

#### Climate relevant budget classification

Given the difficulty of tracing investments to see if they reflect the requirements of climate change plans, the ICMP has been working with provincial and national stakeholders to make them aware of the different budget classification methods available, especially those of the United Nations Development Programme (UNDP) and the Organization for Economic Co-operation and Development (OECD).

Ca Mau Province used the OECD's classification method to perform an ex-post analysis of their last five annual budget plans (from 2011 to 2015 inclusive). Although this kind of analysis has also been performed in the provinces ICMP is working with, Ca Mau's budget information was far more detailed and the conclusions drawn with regard to the percentage of climate-relevant expenditure remain the most accurate to date.

## Impacts

Awareness-raising and capacity-development activities on the classification of climate-relevant expenditure have led to a broader understanding at the provincial level of the importance of not only monitoring substantial financial flows related to climate change, but also drawing conclusions in order to improve the relationship between climate-oriented policy formulation, sectoral planning and real action through spending.

Assessments of the ICMP's partner provinces in the Mekong Delta suggest that between 10% and 30% of their overall expenditure is dedicated to investments relevant to climate change.

Given that spending on climate change measures is set to increase in future, ICMP's green growth support will help to ensure that this expenditure reflects the intentions and required actions of relevant strategies and action plans.

However, the challenges of providing transparent budget information and of refining and institutionalising a nationally accepted classification method have yet to be overcome and will be addressed at a later date.

The Integrated Coastal Management Programme (ICMP) is a development programme funded by the governments of Australia, Germany and Viet Nam. Its objective is to support the Vietnamese authorities in preparing the coastal area of the Mekong Delta for a changing environment and to lay the foundations for sustainable growth. The programme works in six interlinked working areas: agriculture, aquaculture, coastal protection, forest, planning and budgeting, and water management.

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