



1. Project Data

Project ID P153544	Project Name ICRSL		
Country Viet Nam	Practice Area(Lead) Environment, Natural Resources & the Blue Economy		
L/C/TF Number(s) IDA-58450	Closing Date (Original) 31-Dec-2022	Total Project Cost (USD) 267,039,718.58	
Bank Approval Date 10-Jun-2016	Closing Date (Actual) 30-Jun-2024		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	310,000,000.00	0.00	
Revised Commitment	310,000,000.00	0.00	
Actual	261,783,464.89	0.00	
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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (p. 6) and the Financing Agreement of October 12, 2018 (p. 5) the objective of the project was “enhance tools for climate-smart planning and improve climate resilience of land and water management practices in selected provinces of the Mekong Delta in Vietnam”.

The objective will be parsed as follows:

- I. enhance tools for climate-smart planning in selected provinces of the Mekong Delta in Vietnam;



II. improve climate resilience of land and water management practices in selected provinces of the Mekong Delta in Vietnam.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

The project included five components:

Component 1 (Enhancing Monitoring, Analytics, and Information Systems (appraisal estimate US\$61.3 million, AF US\$1.5 million, actual US\$ 55.0 million)): This component was to build capacity for climate-resilient planning and investment in the Mekong Delta through better data, systems, and coordination and included three sub-components:

- Sub-component 1.1: Monitoring & Knowledge: This sub-component was to strengthen MONRE's water and groundwater monitoring, remote sensing as well as infrastructure operations systems, and was to conduct key technical studies.
- Subcomponent 1.2: Information & Decision Support: This sub-component was to establish the Mekong Delta Center as a hub for integrated climate and environmental information and a GIS-based knowledge platform, as well as produce a Climate Resilience Assessment to guide planning.
- Subcomponent 1.3: Climate-Resilient Planning: This sub-component was to support the integration of climate resilience into regional, sectoral, and provincial plans through coordination, regulations, and evidence-based updates.

When the project received AF in 2018, additional activities were financed under this component including enhancing market research, establishing research partnerships, developing adaptive management courses, and raising public awareness on climate adaptation.

Component 2: Managing Floods in the Upper Delata (appraisal estimate US\$101.0 million, AF US\$ 1.4 million, actual US\$97.8 million): This component was to protect and/or reclaim the benefits of controlled flooding (flood retention) measures while increasing rural incomes and protecting high-value assets in An Giang, Kien Giang, and Dong Thap Provinces. Activities were to include enabling beneficial flooding through infrastructure adjustments, supporting farmers to diversify livelihoods beyond wet-season rice, upgrading infrastructure to protect high-value assets in An Giang, Kien Giang, and Dong Thap provinces. Furthermore, this component was to develop flood diversion channels, improve dry-season water efficiency, and support sub-projects on flood retention, irrigation upgrades, and ecosystem restoration.

When the project received AF in 2018, additional activities were financed under this component including funding research on flood-based production models and developing scalable climate-smart practices.

Component 3: Adapting to Salinity Transitions in the Delta Estuary (appraisal estimate US\$108.7 million, AF US\$1.4 million, actual US\$94.0 million): This component was to finance addressing challenges related to salinity intrusion, coastal erosion, sustainable aquaculture, and improved livelihoods



for communities living in the coastal areas of Ben Tre, Tra Vinh, and Soc Trang Provinces. Financed activities were to include: i) constructing coastal defenses consisting of combinations of compacted earth embankments and coastal mangrove belts; ii) modifying water and agricultural infrastructure along the coastal zone to allow flexibility for sustainable aquaculture activities and adapt to changing salinity levels; iii) supporting farmers to transition (where suitable) to more sustainable brackish-water activities such as mangrove-shrimp, rice-shrimp, and other aquaculture activities; and iv) supporting climate-smart agriculture by facilitating water use efficiency in the dry season.

When the project received AF in 2018, additional activities were financed under this component including supporting research on brackish water livelihoods, piloting salinity transition models, and creating scalable climate-resilient practices.

Component 4: Protecting Coastal Areas in the Delta Peninsula (appraisal estimate US\$101.1 million, AF US\$1.4 million, actual US\$79.8 million): This component was to finance addressing challenges related to coastal erosion, groundwater management, sustainable aquaculture, and improved livelihoods for communities living in the coastal areas of Ca Mau, Bac Lieu, and Kien Giang Provinces. Financed activities were to include: i) restoring coastal mangroves and/or rehabilitation of coastal dikes in erosion areas; ii) modifying water control infrastructure along the coastal zone to allow flexibility for sustainable aquaculture activities; iii) controlling groundwater abstraction for agricultural/ aquaculture and enhancing of freshwater supplies for domestic use; iv) supporting farmers to practice more sustainable brackish livelihoods such as mangrove shrimp; and v) supporting climate-smart agriculture through water use efficiency.

When the project received AF in 2018, additional activities were financed under this component including exploring and piloting solutions for coastal erosion, water scarcity and salinity intrusion as well as developing scalable climate-resilient practices.

Component 5: Project Management and Implementation Support (appraisal estimate US\$14.5 million, AF US\$0.2 million, actual US\$6.3 million): This component was to finance project management and capacity building for the Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), and the Ministry of Planning and Investment (MPI) to implement the project.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost: The project was estimated to cost US\$393.09 million. Actual cost was US\$332.01 million.

Financing: The project was financed by a credit in the amount of US\$310 million (of which US\$261.8 million was disbursed) and Additional Financing (AF) through a Global Environment Facility Grant (TF-A8261) in the amount of US\$6.09 million (of which US\$5.3 million was disbursed).

Borrower Contribution: The Borrower planned to contribute US\$77.0 million. Actual contribution was US\$64.9 million.

Dates: The project received AF and was restructured four times:



On April 20, 2018, the project received AF in the amount of US\$6.09 million to increase the scope of the project.

On March 7, 2022, the project was restructured to: i) revise the phrasing of two PDO indicators to reflect the change in the context; ii) revise the definition of PDO indicator 3 to include the command area which increased the measured area; iii) reduce the intermediate outcome target for specialized studies in component 1 from four to three; ii) increase the intermediate outcome target for flood retention areas in component 2 from 15,800 to 24,000 hectares; iii) reduce the aggregate intermediate outcome targets for riverbank, coastline, and embankment protection in components 3 and 4; iv) delete an intermediate outcome indicator under component 4 for coastline protection; and v) add two intermediate outcome indicators to capture the investment being made to develop operation manuals for irrigation infrastructure systems.

	Original	Revised
PDO indicator 1	Adoption of Mekong Climate Resilience Assessment by MONRE	Access to relevant data and information on key parameters from MONRE for informing climate resilient planning.
PDO indicator 2	Citizens in selected provinces who participated in consultations on formulation of district land use plans (targeting 35,000 citizens)	Provincial and central stakeholders engagement informed the formulation of the Mekong Integrated Regional Master Plan (targeting 1,500 stakeholders)
PDO indicator 3	Area with climate resilient land and water management practices supported by the project	Definition was changed to include the command area (the area protected by or serviced by that investment) of investment infrastructure, which increased the measured area.
PDO indicator 4	Project supported farm households who have adopted climate resilient land and water management practices	Definition was changed from tracking adoption of "all crops" to "one crop" per year.

Even though PDO level indicators were dropped and reformulated, a split rating is not necessary since a split evaluation would not have changed the overall rating.

On January 2, 2023, the project was restructured to extend the closing date by six months from December 31, 2022, to June 30, 2024, to allow for the completion of project activities which had been delayed due to land acquisition and procurement delays as well as delays related to the Covid-19 pandemic.

On May 25, 2023, the project was restructured to respond to the government’s request to cancel US\$ 15,871,415 due to procurement savings and unused contingency budget under the Ministry of Natural Resources and Environment (MONRE), Ministry of Planning and Investment (MPI), and three provincial sub-projects (Dong Thap, Ben Tre, and Soc Trang).

On May 19, 2024, the project was restructured to respond to the government’s request to cancel US\$21,855,195 due to procurement savings, unused fund that was allocated for VAT payment and unused contingency budget under MARD, MONRE and six provincial sub-projects (Dong Thap, Ben Tre, Kien Giang, Bac Lieu, Ca Mau and Soc Trang).



The project was approved on June 10, 2016, and became effective on November 23, 2016, due to lengthy internal government processes.

The Mid-Term Review was conducted on October 22, 2019. The project's original closing date was December 31, 2022, and the actual closing date was June 30, 2025, i.e., 30 months or 2.5 years extension.

3. Relevance of Objectives

Rationale

Country/region and sector context. At the time of project appraisal, Viet Nam's Mekong Delta, was home to 20 percent of the country's population who was highly dependent on rice or shrimp farming for their livelihoods. In 2022, the Mekong Delta contributed to 95 percent of Vietnam's rice exports, 65 percent of agricultural production and a third of agricultural Gross Domestic Product (GDP). In order to support the agricultural production in the Mekong Delta, a large number of water control infrastructure, including dikes and canals, was constructed. This disrupted the Delta's ecological connectivity and reducing biodiversity. Also, tensions between rice and shrimp farmers' different interests rose. In addition, climate change related developments such as rising sea levels, saline intrusion, and land subsidence put further pressure on agriculture and aquaculture. According to the PAD (para. 12), the Mekong Delta has been identified as one of the most vulnerable deltas to the impacts of climate change.

To address these issues, the government developed an integrated plan to manage the current and future risks and opportunities in the Delta. However, planning and sectoral implementation roles for the Mekong Delta were spread across several ministries and agencies, each responsible for different areas of land, water and infrastructure. As a result, the government faced big challenges related to coordinating activities, investments, plans, and programs of different sectoral agencies.

Alignment with the Government strategy. The objective of the project was in line with the Prime Minister's 2017 Resolution 120 on "Mekong Delta Sustainable Development and Climate Change Adaptation" which stresses the need of an integrated approach to planning and living in harmony with nature. According to the ICR (para. 21), the objective of the project was also in line with different government's strategies including "Overall program of sustainable agricultural development to adapt to climate change in the Mekong Delta region to 2030 and the vision to 2045" as well as "Modernizing the irrigation system for sustainable agricultural development in the Mekong Delta".

Alignment with the World Bank strategy. The objective of the project was in line with the World Bank's most recent Country Partnership Framework (CPF) (FY23-27) and objective 1 "strengthen climate resilience and promote sustainable growth of infrastructure, cities, and regions" under Higher Level Outcome 1 "climate resilience strengthened and sustainable growth attained".

The objective addressed a critical development problem. Even though the first aspect of the PDO regarding enhancing tools for climate smart planning was important, it was relatively at an output oriented level, and could have demonstrated the strengthened planning aspect by actual use of tools. Overall, relevance of the objective was Substantial.



Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Enhance tools for climate-smart planning in selected provinces of the Mekong Delta in Vietnam

Rationale

Theory of Change:

The project's theory of change stated that project inputs/activities such as strengthening MONRE's water and groundwater monitoring, remote sensing, infrastructure operations systems, as well as establishing the Mekong Delta Center and supporting the integration of climate resilience into regional, sectoral, and provincial plans were to result in several outputs. These outputs were to include MONRE's capacity being strengthened, the Mekong Delta Center being established and climate resilience being integrated into different plans. These outputs were to result in the outcome of enhanced tools for climate-smart planning.

The theory of change was sound and did not have any logical gaps.

Outputs:

- The Mekong Delta Center was established, achieving the target of establishing it.
- Four specialized studies to facilitate climate resilient decision making were supported, exceeding the target of three studies.
- 67 monitoring stations were established or upgraded. At project closing, 47 were operational and facilitated real-time data collection and sharing, almost achieving the target of 50 stations being established or upgraded.
- Two operational manuals for systems in the Delta Estuary were completed and adopted, not achieving the target of three manuals.
- Two operational manuals for systems in the Delta Peninsula were completed and adopted, achieving the target of two manuals.
- 1,889 provincial and central stakeholders' engagements informed the formulation of the Mekong Integrated Regional Master Plan, exceeding the target of 1,500 engagements.

Additional outputs reported in the ICR, which were not included in the Results Framework and hence have no target values:

- The Mekong Forest App was established allowing for quick dissemination of information on water levels, salinity, and tidal levels to relevant agencies and local communities.



- The Mekong Delta Research Alliance (MDRA) was established to serve as a formal partnership among government research agencies, universities, and development partners.

This objective was formulated on the output level and the project only measured achievements on the output level and not on the outcome level. However, the outputs achieved indicate a positive impact on the objective of enhanced tools for climate-smart planning. Therefore, achievement of this objective is rated Substantial.

Rating

Substantial

OBJECTIVE 2

Objective

Improve climate resilience of land and water management practices in selected provinces of the Mekong Delta in Vietnam

Rationale

Theory of Change: The project's theory of change stated that project inputs/activities such as adjusting water/agricultural infrastructure for beneficial flooding, supporting alternative models to wet season rice and promoting water/fertilizer use efficiency as well as sustainable brackish water models, and modifying infrastructure to adapt to changing salinity levels and for sustainable aquaculture were to result in several outputs. These outputs were to include modified infrastructure to improve land and water management as well as improved capacity to support climate resilient livelihood transition in different hydro-ecological zones. These outputs were to result in the outcome of improved climate resilience of land and water management practices in selected provinces of the Mekong Delta in Vietnam.

The theory of change was sound and did not have any logical gaps.

Outputs:

- 28,823 hectares of flood retention areas with water management infrastructure were supported by the project, exceeding the target of 24,000 hectares.
- 128 august dikes were rehabilitated and operational, exceeding the target of 61 dikes.
- 29 august dikes sluice gates were constructed and operational, exceeding the target of 15 dikes.
- 131,316 hectares of brackish water area in Estuary province and Peninsula province were supported with climate resilient infrastructure, exceeding the target of 85,000 hectares. Of this area, 11,880 hectares were supported in Estuary province, not achieving the target of 45,000 hectares) and 119,436 hectares were supported in Peninsula province, exceeding the target of 40,000 hectares.
- 79.2 kilometers of riverbank and coastline protection in the Delta Estuary were supported by the project, exceeding the target of 71 kilometers (24.7 kilometers of coastline (exceeding the target of 22 kilometers) and 53.5 kilometers of riverbank (exceeding the target of 49 kilometers)).
- 13 riverbank and coastal sluice gates were constructed and operational, exceeding the target of six riverbank and costal sluice gates.
- 207,292 hectares of area were supported with climate resilience land and water management practices, exceeding the target of 200,000 hectares.



- 98.6 kilometers of riverbank and coastline protection in the Delta Peninsula were supported by the project, exceeding the target of 80 kilometers (42.3 kilometers of coastline (exceeding the target of 19 kilometers) and 56.3 kilometers of riverbank (not achieving the target of 61 kilometers)).

Intermediate outcomes:

- 97 percent of households in selected provinces transitioned to climate resilient alternatives livelihoods that were supported by the project, exceeding the target of 75 percent of households.
 - 99 percent of selected households is Estuary province, exceeding the target of 75 percent and 95 percent in Peninsula province, exceeding the target of 75 percent.
- 91 percent of farm households adopted climate resilient land and water management practices, exceeding the target of 75 percent of farm households.
- 100 percent of farm households in selected provinces transitioned to third rice crop alternatives, exceeding the target of 75 percent of farm households.

Given the project's achievement under this objective such as a substantial percentage of farming households implementing climate resilient land and water management practices, the achievement under this objective is rated Substantial.

Rating

Substantial

OVERALL EFFICACY

Rationale

The achievement of both objectives was Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic efficiency:

The PAD (p. 16) conducted a cost-benefit analysis of four of the proposed ten subprojects that had been defined in detail (An Phu subproject, Ba Tri subproject, Tra Vinh subproject, Kien Giang subproject). For each subproject, two scenarios were defined: i) a baseline/without-project scenario, ii) a with-project scenario. The



economic analysis took into account shadow-priced benefits to farmers as well as benefits that were to accrue to society, such as flood risk reduction and ecological benefits due to the retention of floodplains in the upper delta.

The analysis included three steps: i) development of typical crop budget models representing the average production technology, average yields, revenues and costs per ha in the different scenarios considered; ii) estimation of the incremental revenues to the typical farmer from switching to the livelihood promoted, where prices used were, as seen by the farmers, inclusive of any subsidies or taxes, and only costs incurred by the farmers were taken into account; and iii) calculation of the economic impact of the proposed investments in each of the individual subprojects, using approximations of economic shadow values for prices and wages. The analysis applied a discount rate of 9 percent resulting in the Internal Rate of Return (IRR), Net Present Value (NPV) and benefit-cost ratio presented in the table below.

	IRR (%)	NPV (US\$ million)	Benefits/Cost
An Phu, An Giang	10.0	2.4	1.1
Ba Tri, Ben Tre	19.5	20.1	2.5
Tra Vinh	36.4	80.4	4.1
Kien Giang	12.4	8.4	1.3

The ICR (p. 10-11) also conducted a cost-benefit analysis focusing on the same subprojects as the PAD and applying a similar methodology while applying actual data.

	IRR (%)	NPV (US\$ million)	Benefits/Cost
An Giang	11.8	7.8	1.3
Ben Tre	40.3	43.6	6.8
Tra Vinh	43.4	656.6	16.7
Kien Giang	92.0	515.6	26.6

According to the ICR (p.34, para. 10), a key reason for the substantially higher benefits at project closing were much larger livelihood areas supported during project implementation than originally planned. Also, the analysis in the PAD considered only two to three livelihood models per subproject, whereas during implementation, each subproject supported five to seven livelihood models. Furthermore, the actual project costs were lower than estimated at appraisal in most cases, except for in the Tra Vinh province.

The ICR (para.35) also conducted a triple dividend analysis to estimate additional benefits from climate adaptation investments including: i) actual damage avoided from investments; ii) included economic benefits (e.g. additional income), and iii) additional environmental and social benefits. The analysis included three representative provincial subprojects (An Giang, Ben Tre and Kien Giang). All three dividends showed a positive cost-benefit ratio.

All three analyses indicated that the project was a worthwhile investment.

Operational efficiency:



The project experienced implementation challenges related to processing the on-lending agreement, land acquisition and procurement as well as the COVID-19 pandemic which resulted in delays and the to extend the closing date of the IDA credit by 18 months and the GEF funding by 12 months.

Even though the project experienced implementation delays, the cost-benefit analyses demonstrated large benefits. Therefore, the project’s overall efficiency is rated Substantial.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of the objective is rated Substantial. Efficacy and Efficiency are also rated Substantial resulting in an overall Satisfactory outcome rating.

a. **Outcome Rating**
Satisfactory

7. Risk to Development Outcome

The project’s risks to development outcomes can be classified into the following categories:

Environmental risk: While the project was able to strengthen Viet ’Nam’s resilience to climate change and forecasting systems and irrigation and protection works were handed over to respective Operation & Maintenance agencies. However, the country’s agricultural sector remains highly vulnerable to climate change related events. Therefore, it will be essential to continue supporting farmers in their adaptation to these natural hazards.

Government Commitment risk: According to the ICR (para. 72), the sustainability of improved livelihood models will require continuous training, extension services as well as market development to ensure that



farmers will continue on that path instead of turning to less climate-resilient, unsustainable and unproductive services again. The government is committed to supporting farmers and is working with the World Bank on a follow-on operations including the “Mekong Delta Climate Resilient and Integrated Transformation” project and the “One Million Hectares High Quality Low-Carbon Rice in the Mekong Delta” project.

Technical risk: While the project was able to strengthen the capacity of provincial agencies in key areas including procurement, M&E and E&S safeguards, continued capacity building will be needed to sustain the capacity built. However, high staff turnover at the provincial level and limited central support for livelihood activities might result in weakened provincial institutions again. Therefore, ensuring coordination and cooperation between provincial and national level entities as well as local communities will be essential going forward.

8. Assessment of Bank Performance

a. Quality-at-Entry

According to the ICR (para. 44-47), the project was built on a strong analytical and strategic foundation, closely aligned with the Government of Vietnam’s strategies. Project areas were selected based on climate and socio-economic vulnerability, with participatory consultations ensuring that infrastructure and livelihood models were responsive to local conditions. Coordination with development partners and other World Bank projects enhanced technical inputs and avoided duplication.

According to the PAD (para. 44) the project was built on lessons learned from previous World Bank river basin programs in the region as well Mekong Delta projects in Vietnam in the topics of integrated water resources management, agriculture, coastal protection, dam safety, and fisheries. The key lesson learned was that a multisectoral, participatory approach based on sound science was necessary for making informed evidence-based decisions.

The project implementation design was complex, involving multiple agencies. While the World Bank identified and mitigated several sectoral, institutional, and technical risks, some risks such as coordination between central and provincial agencies, constraints from the 2020 Public Investment Law and the challenge to balance and coordinate infrastructure and livelihood activities were underestimated. Furthermore, limited institutional capacity at the provincial level, particularly in areas such as procurement resulted in implementation delays. The project also aimed to shift focus from outputs (infrastructure built) to impacts (livelihoods transformed), but the nature of IPF without a recurring budget made this challenging. There were shortcomings in M&E as discussed in Section 9. Given the shortcomings at entry, the quality at entry is rated as Moderately Satisfactory.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision



The World Bank team conducted 16 supervision support missions during the project’s eight years and seven months implementation period, which was appropriate. The ICR (para. 68) stated that the project benefitted from continuity in leadership (long-term TTL engagement), and in-country presence of most task team members. The World Bank team supported capacity building within central and provincial agencies and supported problem-solving throughout implementation. Supervision was instrumental in facilitating restructuring at mid-term, adjusting project targets, and revising implementation approaches to respond to constraints introduced by the 2020 Public Investment Law, as well as disruptions caused by COVID-19 and adverse weather.

According to the ICR (para. 50), initially, implementation was dominated by infrastructure delivery, and the lack of coordination between the infrastructure and livelihoods components reduced the project’s potential impact. Some provinces prioritized infrastructure to prevent saline intrusion rather than adapting to a brackish-water economy, leading to delays and budget constraints for livelihood activities. The World Bank team provided substantial support as well as capacity building in key areas such as procurement. However, according to the ICR (para. 53), despite the World Bank’s efforts, implementation remained delayed (partially also due to the COVID-19 pandemic). The World Bank team showed flexibility and restructured the project several times to address implementation challenges.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project’s objective was clearly specified. However, the objective was formulated at the output level rather than the outcome level, particularly with respect to “enhancing tools” rather than demonstrating actual use or behavioral/institutional change. Adjusting adoption measurement to “one crop per year” (intermediate outcome indicator 2.1) reflected that some original targets had been overly ambitious. Some targets were overly ambitious such as transforming 200,000 hectares into new livelihood models, which had to be revised later.

According to the PAD (para. 57), the overall M&E system was to be implemented and managed by the MARD Central Project Management Unit (CPMU). The CPMU was to work with MONRE, the MPI, and project provinces to collect data and report the indicators in the Results Monitoring Framework.

b. M&E Implementation

During the first project restructuring in 2022, the Results Framework was adapted and the original PDO indicators 1 and 2 were revised. PDO indicator 1 was modified from “adoption of Mekong Climate Resilience Assessment (MCRA) by MONRE” to “access to relevant data and information on key



parameters from MONRE for informing climate resilient planning”. as well as the definition of PDO indicator 3 was modified to include; i) areas on which climate-resilient practices were adopted; ii) areas protected or services by infrastructure investments, and iii) newly planted or restored mangrove areas. According to the ICR (para. 56), setting an appropriate target for PDO indicator 3 required extensive consultations with local communities and government. Furthermore, PDO indicator 4 was modified to measure the adoption of one crop per year instead of all crops as a result of M&E budget and capacity constraints.

According to the ICR (para. 59) baseline data were collected, identifying gaps and needs of the M&E system. The ICR did not provide any details on what the gaps and needs were. The ICR (para 61) stated that the M&E data were of adequate quality and went through multiple verification levels. The M&E functions were well integrated in the central, provincial, and district government systems. Each province had a dedicated M&E team. Collected data were verified by M&E staff and consultants at each Provincial Project Management Unit and entered into the common Management Information System. An independent verification was conducted at the central level by an external M&E consulting firm.

c. M&E Utilization

According to the ICR (para. 62), M&E findings were used to identify implementation bottlenecks and to inform decision making. Also, M&E data helped to identify underperforming areas such as livelihood models. Furthermore, M&E findings were shared with stakeholders.

Overall, the Results Framework was sufficiently revised to allow for adequate M&E monitoring. Also, the project’s M&E findings informed decision making. Therefore, quality of M&E is rated Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as category A and triggered the following World Bank safeguard policies: Environmental Assessment (OP 4.01), Natural Habitat (OP 4.04), Pest Management (OP 4.09), Indigenous Peoples (OP 4.10), Physical Cultural Resources (OP 4.11), Involuntary Resettlement (OP 4.12), Forests (OP 4.36), Safety of Dams (OP 4.37), and Projects on International Waters (OP 7.50). According to the ICR (para. 64), during project preparation, safeguard instruments were prepared, including a Regional Environmental Assessment, Regional Social Assessment, Environmental and Social Management Framework (ESMF), Resettlement Policy Framework, and Ethnic Minority Policy Framework (EMPF). Also, the project prepared Resettlement Action Plans (RAPs), which resulted in 5,406 out of 5,413 affected households being compensated by the time the project closed. The ICR stated that a Post-Closure Action Plan (PCAP) addressed the cases that had not been addressed during implementation and, as of July 2025, there were seven pending cases remaining.



The ICR did not state if the project complied with the triggered policies. However, when the project closed, its safeguard rating was Moderately Satisfactory.

b. Fiduciary Compliance

Financial Management:

According to the ICR (para. 66), the project complied with the World Bank's Financial Management policies throughout implementation. However, the project faced several Financial Management related challenges including changes in government regulations impacting disbursement and budget planning, and miscalculations during project restructuring resulting in fund shortages in some provinces and unpaid contractor fees and penalties. Furthermore, slow approval processes for Annual Work Plan and Budget caused administrative burdens, particularly in low-capacity provinces. Some financial and audited reports were submitted with a delay despite's MARD's coordination efforts.

According to the World Bank team (February 6, 2026), the external auditor opinions were unqualified.

When the project closed Financial Management was rated Moderately Satisfactory.

Procurement:

According to the ICR (para. 65), the project complied with the World Bank's January 2011 Procurement Guidelines and the July 2016 Procurement Regulations throughout implementation. Also, the project benefitted from MARD's previous experience in implementing World Bank projects. However, the project faced substantial procurement related issues as a result of slow procurement preparation and lengthy government approval procedures. Also, the project experienced implementation delays related to the PPMU's limited procurement capacity and the need of PPMU staff to adapt when the e-bidding on Viet Nam's e-GP platform was rolled out resulting in implementation delays. The World Bank team addressed these issues by providing extensive training to staff. Furthermore, contractor performance issues, worsened by the pandemic, internal review processes and land acquisition caused delays, cancellations, and rebidding. In addition, language barriers affected use of the Bank's STEP system, though it remained useful for monitoring.

When the project closed, Procurement was rated Satisfactory.

c. Unintended impacts (Positive or Negative)

NA

d. Other



11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	shortcomings as entry
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

The ICR (para. 74) included several lessons learned, which were adapted by IEG:

- **Building institutional capacity during the early phases of project implementation can result in reduced delays and sustained impact.** In this project, weak provincial capacity contributed to procurement delays and land acquisition challenges, largely linked to poor land management practices. These issues were addressed through targeted training and capacity-building for provincial agencies, along with efforts to strengthen the grievance redress mechanism (GRM) to prevent unnecessary escalation of land-related complaints.
- **Designing flexible interventions and engaging with local stakeholders can enhance effectiveness and resilience.** In this project, engaging farmers, local authorities, cooperatives, and traders in selecting areas, livelihoods, and infrastructure had a positive impact on project outcomes. Adapting livelihood models to local conditions and community input proved essential for overcoming challenges, highlighting the importance of flexible, participatory approaches in future projects.
- **Providing technology packages which include business and climate-smart practices, in addition to demonstrating clear economic benefits can drive adoption by farmers.** In this project, livelihoods support technology packages helped farmers increase their income by incorporating climate-resilient agricultural techniques, such as water-efficient irrigation and drought-resistant crops, alongside business solutions enhancing market access and profitability.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided an adequate overview of project preparation and implementation and included an appropriate economic analysis. The ICR provided useful lessons learned that can be applied to future projects in this area and its analysis was sufficiently critical. Also, the ICR was concise and internally consistent. The ICR would



have benefitted from providing more outcome data to better demonstrate the project's achievements. Overall, the quality of the ICR was Substantial.

a. Quality of ICR Rating
Substantial