

Evaluation Summary

WARM Facility Mid-Term Evaluation

Country: **Vietnam** Sectors: Water resources, Climate change adaptation, Urban development

Evaluator: Hydroconseil

Date of the evaluation : **October 2023 – March 2024**

Key data on AFD's support

Project numbers: CVN1228&1236

Amount: 20 800 000 €

Disbursement rate: 10,2% (as per 30/04/2023)

Signature of financing agreement : 29/04/2020

Completion date : 29/04/2029

Total duration : 108 Months



Context

Vietnam is one of the countries most affected by natural disasters and climate change worldwide. In response to this situation, the French Development Agency (AFD) and the European Union (EU), in close partnership with Vietnamese relevant authorities, have designed the WARM Facility to address the diverse needs of Vietnamese national and provincial stakeholders involved in water and natural resources management in urban and rural areas: urban resilience, irrigation, flood management, coastal erosion, etc.

WARM started its operation in 2020. This midterm evaluation (MTE) specifically focuses on the relevance, effectiveness and efficiency (performance) of the WARM Facility, with a particular emphasis on its functioning and relevance.

Actors and operating method

The WARM Facility involves the following actors: AFD and the EU, the provincial authorities – as final beneficiaries of the projects supported by WARM – as well as three technical ministries (Construction, Agriculture and Rural Development), Natural Resources and Environment) and two 'non technical' ministries (Finance, Planning and Investment).

Overall piloting of the Facility is ensured by a Steering Committee composed of the AFD, represented by the Hanoi office and the EU, represented by the EU delegation in Vietnam. Project Steering Committees are also established at provincial level for each on-going project.

A 'coordination platform' (composed of all provinces involved in WARM) is in the process of being formally established.

Objectives

The WARM Facility aims at enhancing the resilience and adaptation level of populations and economic activities to water-related risks through the development of more resilient cities and territories to climate change and natural risks, improved and integrated water resources management, and/or integrated coastal zone management. The WARM Facility has a grant budget of €20.8 million, exclusively funded by EU funds, including a €0.8 million remuneration of AFD.

To achieve its goals, the Facility is organized in 4 components: (1) project preparation, (2) implementation support (technical assistance), (3) investment projects, and (4) policy dialogue, cross-cutting activities, capacity building, and knowledge management. The beneficiaries of these projects are local authorities, with a focus on vulnerable populations.

Currently, 13 projects in 13 different provinces are included in the Facility's pipeline, distributed across various stages of progress. To be selected, projects must meet the eligibility criteria developed by AFD and the EU.

Ambition and expected outputs

The expected outputs of WARM is to enhance the resilience of populations and economic actors to the negative effects of climate change, to build bankable projects at provincial level, to provide the project owners with a suitable technical assistance, to improve the capacity of all stakeholders and to influence the dialogue on national policies.

Performance assessment

Relevance

- The WARM Facility is closely aligned with Vietnamese national policies and the adaptation to climate change strategies of both AFD and the EU.
- WARM's decentralized approach effectively addresses local needs, although its institutional design may appear complex to Vietnamese entities.
- Governance is deemed satisfactory but requires adjustments to enhance the long-term stability of the Facility in the event of changes in AFD or EU staff.
- The Facility's eligibility criteria are adequate and flexible, with a reinforced process for assessing eligibility of submitted projects.
- Efforts are being made to promote innovative approaches in projects, including for instance nature-based solutions, although technical ministries focus more on technology transfer than innovation as such.
- Concerns have been raised regarding the design of the technical assistance for the WARM Facility, particularly due to the rigidity of the contract and its limited adaptation to the complexity of the Facility.
- The project's monitoring and evaluation system could be enhanced to clarify the link between indicators and project objectives, as well as to ensure the reliability of collected and processed data.

Effectiveness

- The WARM Facility has exceeded initial expectations in terms of outputs. Currently, 12 to 13 projects are underway, with the total budget of the first six projects reaching 90% of the initial target. Project preparation has been efficient, with only 41.5% of the budget spent to produce a pipeline of 13 projects. The political dialogue component has also yielded promising results despite coordination challenges among ministries.
- All stakeholders have expressed satisfaction with AFD's leadership and the WARM Facility's high flexibility in project preparation and implementation, demonstrating its proactivity and adaptability to change.
- However, the monitoring and evaluation system is not yet fully operational, raising concerns as more projects enter their implementation phase.

Efficiency

- Despite the challenges posed by the Covid-19 pandemic and the complexity of the project preparation cycle in Vietnam, the WARM Facility has managed to progress according to its initial plan with few significant delays, except for certain aspects related to communication and visibility activities as well as the environmental and social management of contractors and the Resettlement Action Plan (PAR), hindering the start of construction.
- The current design and implementation procedures of the WARM Facility allow for efficient allocation of financial resources according to needs. However, the limited availability of resources (C2) is concerning. Even after a modification of the contribution agreement, the revised budget may not be sufficient to meet the needs of all the projects in the pipeline.

Social and environmental aspects

- Social and environmental aspects are not yet systematically taken into account in all studies and in the technical assistance component, as there is only one project under effective implementation so far.
- However, some projects have adopted a social approach in line with the eligibility criteria, aiming at ensuring an adequate compensation for the people affected by the investment projects.

Gender aspects

- The integration of a gender perspective is not an initial priority in projects, especially from the perspective of Project Management Units, although it is incorporated whenever possible. However, its integration remains inadequate. Gender perspective is included in the monitoring and evaluation system, but its full integration in the Facility is yet to be achieved.

Conclusions and lessons learnt

The Mid-Term Evaluation (MTE) report concludes that the WARM Facility is overall satisfactory across the various evaluation criteria. Relevance and effectiveness (at the output and outcome levels) are considered highly satisfactory, while efficiency, performance, as well as social and environmental aspects, are deemed satisfactory. Gender equality related aspects are assessed as rather satisfactory.

The recommendations are as follows:

- Strengthening the governance foundations of WARM to ensure that governance will not be affected in the future by any staff changes.
- Restructuring of technical assistance to the management of WARM, in response to the deficiencies identified by the MTE in the design of the contract. Recommendation is to refocus strategic tasks within AFD's purview and to reorganize technical assistance into three separate contracts: short-term technical expertise, coordination and administration, of the Facility, and third-party monitoring.
- Modification of the monitoring and evaluation (M&E) design, particularly regarding the indicators used. The MTE recommends an independent evaluation of the measurability of the indicators currently used.
- Capitalization of WARM Facility knowledge and creation of a "knowledge production and dissemination" sub-component that could be included in the technical assistance service contract, in partnership with all relevant academic institutions in Vietnam.
- Formal establishment of the "coordination platform" with the mobilization of resources including the rapid provision of flexible local technical assistance, mechanisms for coordinating with sectoral and multisectoral levels, promotion of experience exchanges, and strengthening ties with relevant partners in Vietnam and abroad.
- Enhancement of communication and visibility activities, which is currently too conventional, to increase the visibility of the EU, Team Europe and project owners.
- Stabilization of WARM's financial viability by exploring other financing options such as involving new development partners in the financing of the Facility.