

An aerial photograph of a city, likely Hanoi, Vietnam, showing a wide river with a paved walkway and a road on the right bank. The background features a dense urban skyline with various skyscrapers under a hazy sky. The foreground is dominated by lush green trees and a small island with a building.

MULTI-LEVEL CLIMATE GOVERNANCE IN VIETNAM

Bridging national
planning and local
climate action



V-LED | STIMULATING
URBAN CLIMATE ACTION

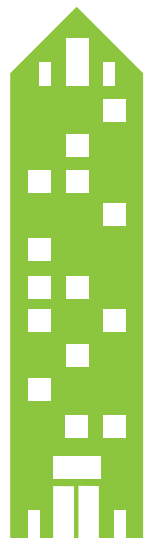


VERTICAL INTEGRATION AND LEARNING FOR
LOW-EMISSION DEVELOPMENT IN AFRICA AND SOUTHEAST ASIA

MULTI-LEVEL CLIMATE GOVERNANCE IN VIETNAM

Bridging national planning and local climate action

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Acronyms

DOC	Department of Construction
DONRE	Department of Natural Resources and Environment
DPI	Department of Planning and Investment
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GHG	Greenhouse gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GreenID	Green Innovation and Development Centre
HCMC	Ho Chi Minh City
ICB	Inter-Ministerial Coordinating Board
ISET	Institute for Social and Environmental Transition
LULUCF	Land use, land use change and forestry
MARD	Ministry of Agriculture and Rural Development
MOC	Ministry of Construction
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and the Environment
MOST	Ministry of Science and Technology
MOT	Ministry of Transport

MPI	Ministry of Planning and Investment
NAZCA	Non-state Actor Zone for Climate Action
NAPCC	National Action Plan on Climate Change
NAPGG	National Action Plan on Green Growth
NCCC	National Committee on Climate Change
NDC	Nationally Determined Contribution
NGGS	National Green Growth Strategy
NGO	Non-Governmental Organisation
NTP-RCC	National Target Programme to Respond to Climate Change
ODA	Official Development Assistance
PIPA	Plan for Implementation of the Paris Agreement
SEDP	Socio-Economic Development Plan
SEDS	Socio-Economic Development Strategy
SP-RCC	Support Programme to Respond to Climate Change
UNDP	United Nations Development Programme
UNFCCC	United Nation Framework Convention on Climate Change
V-LED	Vertical integration and learning for Low-Emission Development
VRC	Vietnam Railways Corporation
VUF	Vietnam Urban Forum

Executive summary

Avoiding the disastrous effects of climate change calls for a global transformation that strengthens resilience to a changing climate and reduces global greenhouse gas emissions (GHG) to zero shortly after the middle of the century. This is a structural change of enormous scale and speed that requires joint action by all sectors of society and levels of government. Coordinating these efforts and ensuring their coherence within a multi-level governance system is key to driving forward effective, efficient and ambitious climate actions.

The Socialist Republic of Vietnam is particularly vulnerable to climate change impacts and faces new challenges as it continues its development journey. The rapid growth of the country's economy, population and urban areas is resource intensive and leading to increased energy demand and greenhouse gas emissions. To respond to climate change risks and steer the country towards green growth, the Vietnamese central government has designed a comprehensive set of climate change policies. Linking national plans to sub-national climate action will be essential in sustaining the country's development gains and accelerating its transition to a low-emission future.

This study analyses the climate change policy and institutional architecture of Vietnam through a multi-level governance lens. It is based on the four-year V-LED project (Vertical Integration and Learning for Low-Emission Development in Africa and Southeast Asia). From 2015 through 2018 V-LED stimulated local climate actions in Vietnam by rallying ambition and connecting national institutions, sub-national authorities, development partners and businesses. Based on experiences gained from the project and additional interviews, the study highlights encouraging practices and continuing challenges of effective multi-level climate governance in practice.

The study notes the important progress Vietnam has made in setting up a national climate change governance architecture to enhance climate change adaptation, green growth and the implementation of the Paris Agreement. The country has equally undertaken substantive efforts to translate national policies into sub-national climate plans and ac-

tions and has mobilised international and domestic finance to implement activities. Nonetheless, an implementation gap remains. The way in which climate plans and practices are translated to the sub-national level is strongly influenced by existing decentralisation policies and accountability mechanisms. Decentralisation reforms have provided more planning authority to provinces, yet they remain strongly dependent on the central planning regime and urban authorities lack the autonomy – and often the competencies and resources – to drive local change processes. While provinces have largely complied with the central government’s demand to draft local climate action and green growth strategies, implementation remains weak and important gaps remain with regards to aligning climate change and development planning and climate proofing public investments. There is further no mechanism that can ensure the accountability of decision makers in relation both to climate-related and development decisions.

Ineffective coordination mechanisms across institutions and between government levels hamper transformative change. Vietnam’s inter-ministerial National Climate Change Committee is tasked with coordinating cross-sectoral climate action. However, existing national climate plans overlap and horizontal coordination remains weak. The lack of a two-way vertical mechanism to account for local governments’ needs and capacities further limits meaningful local climate actions. Sub-national governments face challenges complying with a multitude of national demands, including requirements for monitoring, reporting and funding.

Despite gaps in the enabling governance framework, cities and provinces have implemented climate change actions whereby the motivation to adopt climate change mitigation policies revolves around factors tied to economic opportunities, reputational benefits and international partnerships.

Drawing on the analysis of Vietnam’s multi-level climate governance framework and coordination mechanisms as well as the current trends driving local climate action, the study identifies **three possible entry points** for enhancing climate action:

- **Linking planning to implementation capacity.** Coherent national plans that provide clear mandates to subordinated institutions would result in more feasible sub-national plans of action. A key recommendation is to enhance local policy capacities with clear legal mandate for mitigation and adaptation as part of the existing budgeting mechanisms. Climate metrics can be used to report on several plans, which would increase accountability and reduce the workload of sub-national actors.

- **Scaling-up local action.** To catalyse local action and achieve an ambitious Nationally Determined Contribution (NDC), the good practices of local actors can be scaled up and their knowledge disseminated to other local actors. The national level can support local actors through appropriate regulations, enabling financial frameworks and targeted coaching. National institutions can also serve as focal point to access international finance and commit to support existing projects on the long-term so local actors can shape bankable projects that are attractive to investors.
- **Climate proofing development.** The adoption of climate standards in environmental impact assessments across all sectors could have an immediate effect to steer away from business-as-usual and avoid stranded or vulnerable assets. Standards and regulations for both public and private investments would contribute to align economic development with environmental protection. Clear mandates associated with standards can then be used to increase accountability.



Vietnam key facts:



- Vietnam's population is 95.5 million, 35 per cent of the population lives in urban areas – a proportion expected to increase to 50 per cent by 2045.¹
- Approximately 75 per cent of Vietnam's urban population lives in low elevation coastal zones and is at risk from sea level rise.²
- Ten per cent of the population lives in poverty.³
- Forecasts predict an annual GDP growth rate by 6.5 per cent for 2019-20.¹
- Greenhouse gas emissions were 3.5 tonnes CO₂eq per capita in 2015, excl. emissions from land use, land use change and forestry (LULUCF) (world average 6.5 tonnes).⁴

Sources: 1) The World Bank 2018; 2) VietnamNews 2014; 3) CIA 2017; 4) Gütschow et al. 2018.

1 • Introduction

The Vietnamese economy has grown rapidly over the past fifteen years. The country achieved middle-income country status in 2009 and aims at becoming an industrialised country by 2020. The economic growth is accompanied by rapid urbanisation and construction of infrastructure that is increasingly putting pressure on natural resources and threatened by climate change impacts.

Vietnam is one of the ten most vulnerable countries to climate change (Eckstein et al. 2018) and is now also increasingly contributing to global warming. Along with the rapid ratification of the Paris Agreement (UNFCCC 2015), Vietnam has developed climate strategies to become more resilient and reduce its greenhouse gas emissions. An increasingly active civil society is more and more concerned about the environmental impacts of the current economic growth paradigm and opposes coal power plants and environmental pollution. There are also signs of conventional and social media increasingly playing a role in holding authorities accountable for decisions that cause environmental degradation or maladaptation.

Vietnamese policymakers are increasingly aware that tackling climate change will require integrated action at different levels of governance, across sectors and with non-governmental stakeholders. The emergence of larger cities as key economic players and the transfer of public service functions from state management to lower-level institutions shape the emerging climate governance architecture. However, while Vietnam's policy system has undergone important reforms, the mode of governance remains hierarchical and centralised. A transformation of Vietnam's governance structure is unlikely to occur soon despite environmental constraints to business-as-usual growth. Still, the governance system offers opportunities for the vertical integration of climate plans and actions as strong central political will can support consistent mainstreaming of climate considerations across sectors and government levels (Le Thi Hong et al. 2018; Araos et al. 2017).




How can national and sub-national governments best work together to set Vietnam on a development trajectory that is consistent with the Sustainable Development Goals and

the Paris Agreement? How can the Vietnamese government best enable and support the potential of sub-national actors to implement and ratchet-up its current international commitments through its NDC?

The **V-LED project** – Vertical Integration and Learning for Low-Emissions Development in South East Asia and Africa – was designed on the premise that coherence and coordination within a multi-level governance system are key to raising ambitions and increasing the effectiveness of responses to climate change at the sub-national level. Working as a coalition with partners in South Africa, Kenya, Vietnam, Philippines and Germany, the project facilitated meaningful dialogue between various stakeholders at every level of government to better integrate sub-national and national policy and implementation frameworks, increase adaptation and mitigation capacity and learn from existing pioneering efforts.

In Vietnam, the main activities of V-LED aimed at fostering dialogue on climate action vertically across national and sub-national government levels, and horizontally between actors of a given government level. The dialogue was extended to include civil society and non-state actors to stimulate the design and implementation of climate actions that align with local development priorities.

This study summarises knowledge gained from implementing the V-LED project in Vietnam as well as interviews with key informants. It looks at the current multi-level institutional arrangements and climate governance processes in Vietnam with the aim of spotlighting success, highlighting challenges and identifying entry-points for climate action. The following questions guided the study:

-  How is Vietnam developing and implementing climate change policies across multiple governance levels?
-  What types of coordination between national and sub-national actors enable local climate action and how?
-  What other factors support local climate action and how?

1.1 Structure of the study

This study is structured into five main chapters. **Chapter 2** introduces the reader to the rationale of the study, the importance of a coherent and coordinated multi-level governance approach for transformative climate actions. This chapter also describes the research methods used to gather and analyse data in the writing of this study.

Chapter 3 provides an overview of Vietnam's climate change governance architecture, highlighting the key policies, institutions, and actors that guide the country's climate strategies. **Chapter 4** explores what occurs in practice, how climate action planned and implemented by different government levels and activated at the local levels by a range of driving factors. Based on information gleaned from interviews, it offers a multi-level reality check of the climate change architecture. Finally, Chapter 5 synthesises the lessons learnt and highlights entry points for improving multi-level governance for local climate action.

V-LED believes in bringing multiple stakeholders together to bridge the dialogue gap and align common intentions and actions. To manage the collective issue of climate change, everyone is needed and each voice is valuable: Let's begin the conversation.



2. Theoretical background and research methods

The avoidance of dangerous climate change calls for a global transformation process towards a low-carbon society that reduces global greenhouse gas emissions to zero shortly after the middle of the century (UNFCCC 2015a). This is a structural change of enormous scale and speed that requires joint action by all sectors of society and levels of government. Coordinating these efforts and ensuring their coherence within a multi-level governance system is key to driving forward effective, efficient and ambitious climate actions.

2.1 Transformative multi-level climate governance: global trends

With the adoption of the 2015 Paris Agreement, the global climate regime shifted towards a more inclusive climate governance system, applicable to all countries in light of their common but differentiated responsibilities and respective capabilities. Unlike the former approach of the Kyoto Protocol (UNFCCC 1998) – under which only some countries, representing 14 per cent of global CO₂ emissions, were subject to emissions reduction targets (Annex I Parties) – under the Paris Agreement, all countries share the responsibility for a global climate response. The Paris Agreement gives national governments the opportunity to set their own emissions reduction and adaptation targets through NDCs. In the first round of pledges, 176 countries submitted their NDCs for the period up until 2025/2030. Countries will update these targets every five years from 2020 onwards, with the aim of ratcheting-up their ambition with each submission.

Now, as the Paris Agreement enters into force, the focus of action is shifting from international negotiations to national, regional, and local governments that must translate the Paris goals into local climate action. Opportunities for driving climate action forward have increasingly been shaped by a diverse range of both state and non-state actors. Over the past two decades, research has highlighted the critical role of sub-national governments in reducing greenhouse gas emissions. Many of the sectors with high mitigation potential, such as housing, transport, land use, urban planning, infrastructural development

and waste, are often under the control of sub-national government entities. Leveraging this “transformative power” (UN-Habitat 2016; WBGU–German Advisory Council on Global Change 2016), an increasing groundswell of sub-national actors have set ambitious GHG reduction goals and moved ahead even in the absence of national leadership or significant international progress (Chan et al. 2015). At the same time, companies and civil society actors are making their own climate commitments and are driving action through a plethora of collective (transnational) climate action networks and coalitions. For these reasons, **sub-national governments and non-state actors have an important role to play in implementing climate actions that support national GHG emissions targets and drive ambition up.**

Given this reality, the decision accompanying the Paris Agreement explicitly encourages governments to work more closely with non-party stakeholders including cities and regions (UNFCCC 2015). Alongside the negotiations, sub-national and non-state actors were declared a “fourth pillar” of the 21st Conference of the Parties (COP 21) and cited as critical drivers of the successful outcome (Hale 2016). Inclusion of such actors was further boosted by the launch of by, among others, the launch of the Global Climate Action Agenda and the Talanoa Dialogue process that set out to advance cooperative climate action across levels of government and with non-state actors.

Despite the promising blueprint of the Paris Agreement, the combined national pledges to date fall well short of the objective to hold global temperature rise to below 2 °C, let alone 1.5 °C (Robiou du Pont et al. 2017; UNEP 2017). Furthermore, as the range of climate actors broadens and becomes more complex, the resulting **polycentric climate governance landscape increases the risk of fragmentation** (van Asselt 2014; Biermann et al. 2009). At the global level, an increasingly dispersed range of transnational climate actors outside the United Nation Framework Convention on Climate Change (UNFCCC) regime might not work towards the same goals and may therefore undermine coherence whereby different components “are compatible and mutually reinforcing” (Keohane and Victor G. David 2011). In other words: “If we do not achieve building a shared understanding across the borders of stakeholders and sectors working on different aspects of essentially the same issues, we will remain in the silos that work in isolation, being weaker, or even undermining each other’s efforts” (Hemmati and Rogers 2015).

At the domestic level, climate efforts are often still disconnected from or not responsive to each other, resulting in inefficient overlaps, missed opportunities for collaboration and even maladaptation. Many of the NDCs were produced quickly, with inadequate consultation and do not reflect local priorities (LEDS GP 2017). To date, few countries have sys-

tematically linked activities on the ground to national priorities and policies, and vice versa. While sub-national governments have contributed or even pioneered low-emissions pathways, their efforts alone cannot replace national actions or achieve transformational changes independent of other levels of government. Local actors depend on regional and national regulatory frameworks that provide incentives and resources (Corfee-Morlot et al. 2009; UNEP 2017). Conversely, sub-national initiatives may hold the key to transformative ideas that could be scaled up and help shape enabling frameworks at the national level (Fuhr et al. 2018). Furthermore, in many cases there is a lack of coherence between countries' sector plans (especially the energy sector) and their NDCs (LEDS GP 2017).

A multi-level climate governance approach can bring about greater alignment or "orchestration" of climate actions (Abbott 2017; Zelli and van Asselt 2013; Chan et al. 2015). The importance of multi-level governance for transformative climate action has gained increasing global traction. The recent IPCC special report on global warming of 1.5 °C stresses that "climate action requires multi-level governance from the local and community level to national, regional and international levels" (IPCC 2018) and recognises the concept as an important enabler for systemic transformation. To close the emissions gap and achieve transformative levels of climate action, we urgently need an "all hands on deck" approach (Hale 2016) with coordinated climate action across political levels, sectors, and actors. The scale and the speed of the transformation needed to protect our life supporting system require states to critically examine and enhance their existing multi-level governance frameworks to enable vertically and horizontally coordinated action, which is a synergistic division of labour and collaborative institutional arrangement.

2.2 Terminology and definitions

We consider **climate action** to encompass measures and initiatives that:

1. reduce the sources of GHG emissions (mitigation) and
2. reduce vulnerability to climate change, enhance resilience and manage the impacts of climate change (adaptation)

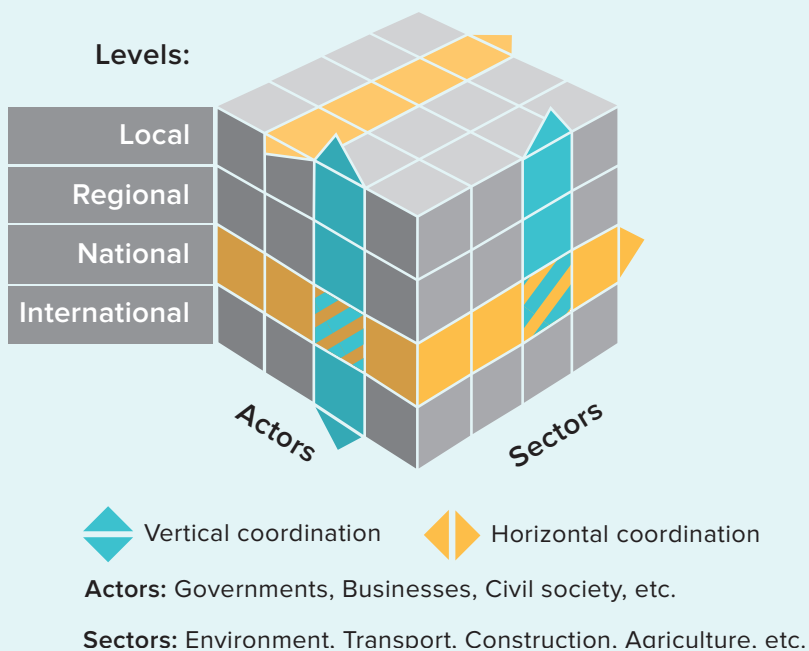
Multi-level climate governance is the synergistic interplay between different levels of government, as well as between a variety of non-state actors, in governing climate action (see Figure 1). The notion of multi-level governance implies that tackling climate change requires collaborative processes and actors operating at multiple interlinked scales. It also brings into focus both **vertical** and **horizontal** forms of coordination.

Vertical coordination occurs across different governance levels, encompassing local, regional and national governments within the same state, but also supra-national and international scales such as the UNFCCC climate regime (Bulkeley 2010; Corfee-Morlot et al. 2009; Hooghe and Marks 2003; Jänicke 2017).

Multi-level climate governance is the synergistic interplay between different levels of government, as well as between a variety of non-state actors, in governing climate action.

Vertical interactions are two-way relationships that can be top-down or bottom-up. In a top-down multi-level governance framework, the central government defines how sub-national actors engage in climate action through methods like national climate policies and laws that regulate climate-relevant

Figure 1: Multi-level climate governance encompasses vertical and horizontal types of coordination (adapted from Jänicke 2013).



sectors, or funding schemes that incentivise specific local actions (Adriázola et al. 2018). In a bottom-up framework, local authorities have substantial autonomy to develop policies and actions that can be scaled up and influence national climate policies. Most climate governance frameworks combine elements of both vertical approaches in a hybrid system.

Horizontal coordination refers to actor-to-actor interactions at the same governance level, such as national sector forums, regional governance bodies and bilateral city-to-city cooperation agreements, as well as wider (transnational) local government networks.

Enabling factors for local climate action include:

- enabling policy frameworks, including clear mandates aligned to planning frameworks and budgetary cycles across levels of government and ministries;
- strong institutional capacities;
- local autonomy, including control over assets, policies, and development strategies;
- high levels of awareness and knowledge, combined with high levels of climate stress;
- availability of financial resources and incentives, paired with existing socio-economic co-benefits of climate action;
- an environmentally concerned civil society;
- membership in transnational municipal climate action networks; and,
- political leadership, such as climate champions.

See, e.g. (Adriázola et al. 2018; Bulkeley 2010; C40 and Arup 2015; Charbit 2011; Charbit and Michalun 2009; Fuhr et al. 2017; Salon et al. 2014).

2.3 Data collection and analytical framework

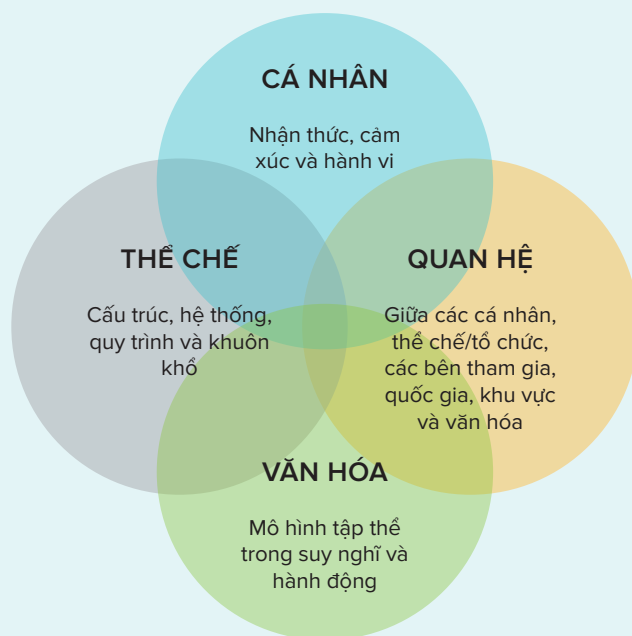
This study used qualitative research methods to collect empirical data and evidence. We conducted 29 semi-structured interviews with stakeholders from civil society, national and provincial governments, research institutes and international organisations. We gathered additional insights through implementing the V-LED project in Vietnam, particularly through working with national ministries (the Ministry of Natural Resources and Environment and the Ministry of Construction) and city authorities in Can Tho and Tam Ky. Events

and workshops held by the V-LED project included sub-national good practice exchange workshops, thematic vertical dialogue events between national and sub-national levels and one regional exchange conference. Through the interviews and observations, we gathered insights on vertical and horizontal coordination from a wide range of stakeholders. Our analysis is thus based on the perceptions and opinions of our interviewees and workshop participants, combined with findings from literature review.

Our analytical lens is inspired by the academic discussion of multi-level climate governance described above and by the four “dimensions of collaborative initiatives for sustainability” outlined by Hemmati and Rodgers (2015): **institutions, cultures, individuals and relationships** (see Figure 2). The institutional and cultural dimensions are the structural conditions that enable or hinder coordination for local climate action (e.g., the institutional climate regime, the policy framework and the behaviours, attitudes and norms that influence how climate change decisions are made in the country). The individual dimension examines the factors that drive actors (understood as individuals, groups, networks, and organisations—both state and non-state—at multiple governance levels) to engage in climate action, such as their perceptions, ideas and visions. The fourth dimension looks at the relationships between actors, scales and regions that enable or hinder coordinated climate action, such as trust and respect.

The four dimensions influenced the design of the interview questions as well as the analysis of the factors that enable local climate action, allowing for an integral perspective. The literature on multi-level governance provided the means to assess the architecture of the climate change regime both in policy (Chapter 3) and in practice (Chapter 4).

Figure 2: Four dimensions of collaborative initiatives (adapted from Hemmati and Rodgers 2015).



3. Chapter highlights:

- Vietnam's high vulnerability to climate change and its high-emissions economic development pathway threaten the country's development.
- To respond to climate change, Vietnam has developed a comprehensive climate change governance architecture over the past two decades, with several national, sub-national and sectoral policies, and a high-level coordination committee.
- The current climate change policy environment consists of various strategies and action plans that address similar issues with overlapping timeframes and objectives. Harmonisation of policies at national, sector and sub-national level is urgently needed for effective implementation.

3. Vietnam's climate change governance architecture

Vietnam's rapid economic growth is carbon intensive and the country's development progress is highly vulnerable to climate change. To shape the national climate change response and transition towards a low-emissions economy, the government has developed a comprehensive set of policies and organisational responsibilities across sectors and levels of government.

Over the last two decades, the economy of the Socialist Republic of Vietnam grew at a remarkable pace. Per capita Gross Domestic Product (GDP) rose threefold from 2004 to 2015 (ADB 2015). Socio-economic reforms gradually transformed the centrally planned economy into a socialist-oriented market economy. In 2009, Vietnam achieved middle-income country status, and according to its Socio-Economic Development Plan (2016-2020), it aims to become an industrialised country by 2020. Nevertheless, Vietnam still relies heavily on Official Development Assistance (ODA) (Zimmer et al. 2015).

Drawn by rapid economic development, millions of people are migrating to the cities. By 2045, half of Vietnam's 95 million inhabitants are projected to live in urban areas, which is a considerable increase from the 25 per cent who lived in cities in 2002.

Although Vietnam's absolute and per-capita emissions are still far below the global average, the rapidly growing economy is increasingly dependent on fossil fuels (Neefjes and Hoai 2017). The country's energy system has carbonised even faster than China's, particularly in the last two decades (Zimmer et al. 2015). In 2013, the country's emissions were already 3.5 times higher than they were in 1991¹. With ongoing economic growth Vietnam's CO₂ emissions are forecasted to triple by 2030, as compared to 2010. Vietnam's power development plan² calls for increasing the share of coal-based electricity coming from a third in 2015 to more than half in 2030.

Although Vietnam's absolute and per-capita emissions are still far below the global average, the rapidly growing economy is increasingly dependent on fossil fuels.

¹ Excluding LULUCF, which serves as a net sink in Vietnam, absorbing more emissions than it releases (in 2013: 18 million tonnes of CO₂ equivalent).

² Decision No. 1208/QĐ-TTg 2011 National Master Plan for Power Development in the 2011-2020 period, with considerations to 2030 (Master Plan VII).

Vietnam is also one of the ten countries most vulnerable to climate change (Eckstein et al. 2018). The country lies within the Southeast Asian typhoon belt that brings frequent rain and heavy wind. The country loses 1-1.5 per cent of GDP annually due to disasters (UNISDR 2015). The low-lying topography of the delta areas and the 3,440 km long coastline make it vulnerable to sea-level rise; most economic assets lie in the coastal lowlands.

Over the last 50 years, studies have shown a steady increase in average temperatures, sea level rise and more frequent and severe extreme weather events. These changes have led to devastating droughts and floods. Sea-level rise and increased salinity of water threaten vast agricultural lands and have severely impacted food security, especially in the Mekong Delta where nearly half of the country's rice is produced. As climate change intensifies, precipitation and temperature extremes are expected to increase further (MONRE 2015).

The primary focus of this chapter is to review Vietnam's climate change governance framework, looking at the most relevant national policies and the associated institutional set-up at national and sub-national level. The chapter then examines the main climate financing mechanisms.

Government administration and division of powers

Vietnam has four levels of government: the central level and three sub-national levels. The first sub-national tier encompasses 58 provinces and five centrally managed municipalities. The municipalities have a status equal to the provinces. They are subdivided into 710 district-level cities and towns (in urban areas), and districts (in rural areas) as the second sub-national tier that is under the authority of the province. At the third sub-national tier, cities and towns are divided into more than 11,000 wards and townships (in urban areas) and communes (in rural areas) (Morgan and Long 2016). The two levels under the provinces are not decisive in setting national and provincial policies (Nguyen Sy 2017), but do participate in their implementation.

Power is concentrated at the national level in Vietnam. The **National Assembly** serves as the legislative authority and is the highest-level representative body. It is elected for a period of five years, and appoints both a president as the head of state and a prime minister as the head of government (Nachmany et al. 2015). The country's executive authorities are the central government and **line ministries**. Both executive and legislative entities operate under a single-party system: the **Communist Party of Vietnam** tightly influences and controls policymaking through its supreme power, the **Party's Central Committee**, with all senior government positions being filled by members of the Party

(Nachmany et al. 2015).

At the sub-national level, legislative authorities are the **People's Councils**, which are elected by citizens. Executive power rests with the **provincial departments** and **People's Committees**, which are chosen by the People's Councils. All administrative mandates and functions of line departments are supervised by the People's Committee. The Councils serve as the supervisory bodies of the People's Committees. The Communist Party directs administrative decisions, and in many cases, Party organs nominate the chairman of the People's Committees and People's Councils.

The most important policy that guides development planning across sectors and government levels is the **Socio-Economic Development Strategy (SEDS)**, which is formulated for a period of ten years. Additionally, five-year **Socio-Economic Development Plans (SEDP)** focus on the implementation of the SEDS. At present, Vietnam's political and economic systems are governed by the current SEDS 2011-2020 and the SEDP 2016-2020.

3.1 The national climate policy framework

Vietnam has been involved in international climate change negotiations since the 1990s. The country is a member to the UNFCCC and has ratified both the Kyoto Protocol and the Paris Agreement. Climate change however only explicitly entered the national policy making agenda in 2008 with the **National Target Programme to Respond to Climate Change**³ (NTP-RCC). Despite identifying the long-term need to transition towards a low-carbon economy, the allocation of funds granted for the NTP-RCC clearly reflects a focus on adaptation, attributing only 2 per cent of the overall resources to mitigation actions and emphasising that they will need to be financed by industrialised countries (Zimmer et al. 2015). The NTP-RCC requires mainstreaming climate change responses across all sectors and levels of administration (Nachmany et al. 2015). All national ministries and all provincial-level governments are required to prepare climate change action plans.

Three years later, the 2011 **National Climate Change Strategy**⁴ (NCCS) identified ten strategic tasks for the national climate change response. Although it includes the development of a low-carbon economy as a goal, the NCCS focuses on climate change adaptation (Nguyen 2017). In 2012, the corresponding **National Action Plan on Climate Change** (NAPCC 2012-20) was adopted, as well as the **National Strategy on Environ-**

³ PM Decision No. 158/2008/QĐ-TTg on December 02, 2008

⁴ PM Decision 2139/QĐ-TTg on December 05, 2011

ment Protection⁵ and the **National Green Growth Strategy (NGGS)**⁶. The NGGS focuses on mitigation⁵ with an aim of transitioning towards a low-carbon, green economic development trajectory. In contrast to the NCCS, the NGGS defines precise, unconditional emissions reduction targets, including a 20 per cent reduction of GHG from energy activities by 2030 compared to business-as-usual (and 30 per cent with international support) and pledges to provide domestic funding to support implementation. The strategy further mandates all line ministries, state agencies and regional authorities to revise their development strategies according to the NGGs and to develop corresponding action plans (Zimmer et al. 2015). A **National Green Growth Action Plan**⁷ (NKGAP) was adopted in 2014. It presents 66 activities, grouped under the themes (1) Institutional improvement and formulation of green growth action plans at the local level; (2) Reducing GHG emissions intensity and promoting the use of clean and renewable sources of energy; (3) Greening production; and (4) Greening lifestyle and promoting sustainable consumption (CPEIR 2015). Importantly, the NKGAP provides a clear mandate to the 63 provinces to design their own respective Provincial Green Growth Action Plans and to integrate them into their local five year and annual SEDPs, allowing local authorities to mobilise financial resources for climate action from the state budget (LEDS GP 2017).

The National Climate Change Strategy and the National Green Growth Strategy mandate all line ministries, state agencies and regional authorities to align their development plans with the strategies and to develop corresponding action plans.

In June 2013, the Communist Party of Vietnam adopted a resolution on the **“Active response to climate change, improvement of natural resource management, and environmental protection”**⁸. Stating that the climate change response was “one of the most important tasks of the entire political system”, the policy demonstrates both the Party’s and executive government’s concern about climate change and is considered the highest-ranking climate

change policy in Vietnam. One year later, the revised **Law on Environmental Protection** was passed⁹ (2014). It calls, among others, for aligning environmental protection with climate change responses, managing GHG emissions and promoting renewable energy. Vietnam’s **NDC** sets an economy-wide GHG emissions reduction target of 8 per cent by 2030 (as compared to a business-as-usual scenario) using domestic resources, and up to

⁵ PM Decision 1216/QĐ-TTg on September 05, 2012

⁶ PM Decision No. 1393/QĐ-TTg on September 25, 2012

⁷ PM Decision No. 403/QĐ-TTg on March 20, 2014

⁸ Central Executive Committee Resolution 24/NQ-TW on June 2013

⁹ National Assembly Resolution 55/2014/QH13 on June 23, 2014

25 per cent with international support. It lists a range of mitigation measures, with specific objectives for the energy, agriculture, transport, waste and LULUCF sector, and defines some general priorities for adaptation. It further states measures to strengthen the role of the state in responding to climate change and enhance international cooperation; the role of sub-national actors is not mentioned.

In 2016 the Prime Minister ratified the Paris Agreement and adopted the **Plan for Implementation of the Paris Agreement (PIPA)**¹⁰. This plan specifies mitigation and adaptation activities and sets further provisions under the Paris Agreement, such as resource mobilisation, enhanced transparency and a sound institutional and policy framework, including the definition of climate action responsibilities of sectors and localities (provinces and cities), and enhancing regional and inter-sectoral coordination (Socialist Republic of Vietnam 2016b).

Vietnam's NDC ambitions are considered insufficient to meet the 2 °C objective, let alone 1.5 °C, considering its financial capacity, population and historical responsibility (Robiou du Pont and Meinshausen 2018). In June 2017, the Prime Minister launched a two-year process to review and update Vietnam's NDC coordinated by the Ministry of Natural Resources and the Environment (MONRE)¹¹. MONRE established the **Multi-Sector Working Group on the NDC Review and Update** comprising of scientists, and ministry and sector representatives, supported by development partners. This process will conclude with Vietnam's revised NDC, or second NDC of Vietnam, which will be submitted to the UNFCCC by autumn 2019.

In October 2017, the **National Target Programme for Climate Change and Green Growth**¹² 2016-2020 was approved by the Prime Minister with a list of prioritised adaptation and mitigation actions. The programme includes the revision of sub-national climate action plans.

Increasingly, urban planning and management efforts are also focusing on climate change (Socialist Republic of Vietnam 2016a). A National Urban Development Strategy has been conceptualised (but not yet issued) by Ministry of Construction (MOC). The strategy is supposed to go beyond Vietnam's 2009 Urban Development Master Plan to provide a foundation for incorporating climate change aspects into urban development (UDA 2017). Moreover, in January 2018, the Prime Minister approved an Urban Green Growth Development Plan to 2030 and assigned its coordination to the MOC. This plan strives to

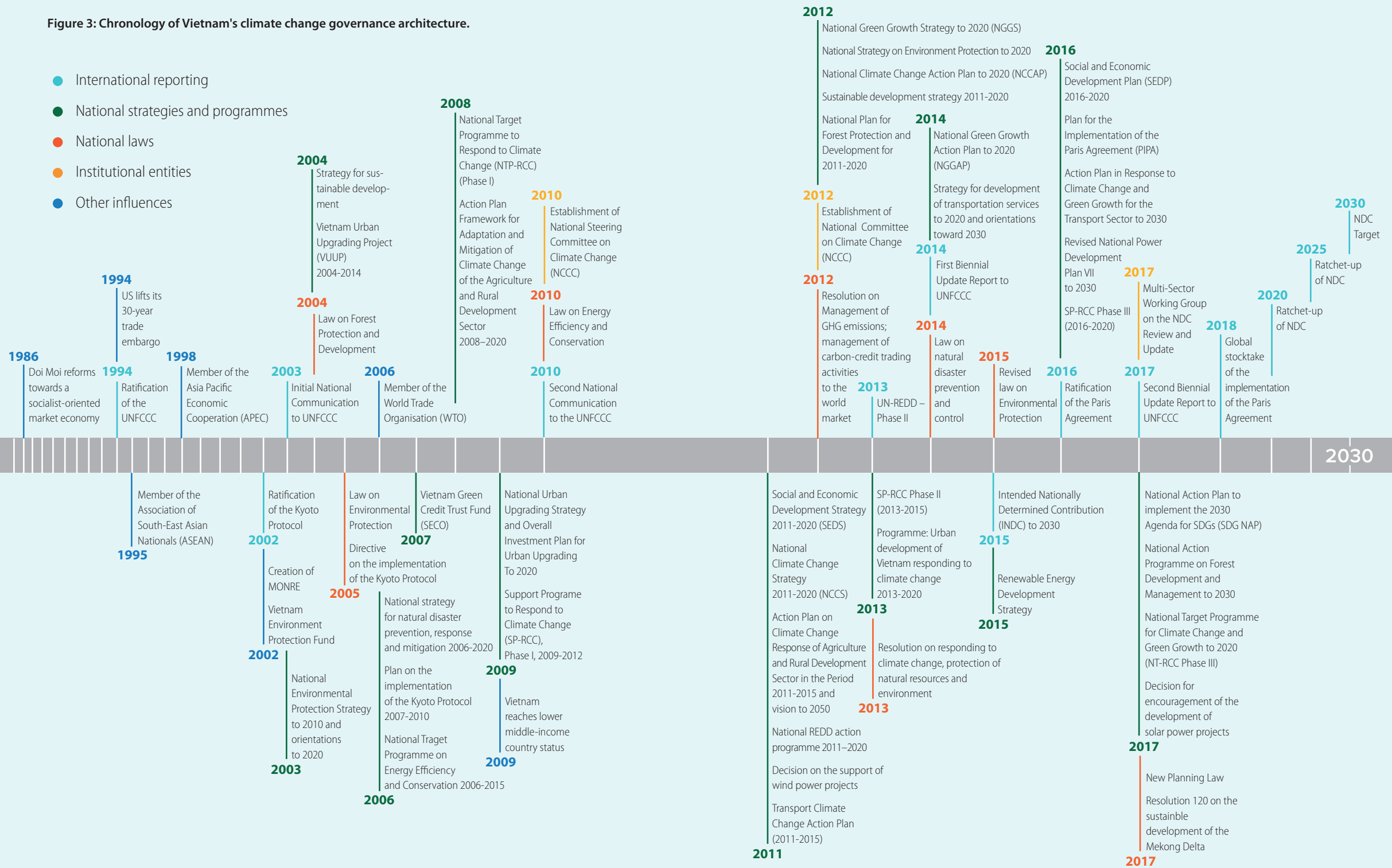
¹⁰ PM Decision No.2053/QĐ-TTg on October 28, 2016

¹¹ Compare PM Dispatch No. 199/TTg-QHQT on February 8, 2017

¹² Decision 1670/QĐ-TTg

Figure 3: Chronology of Vietnam's climate change governance architecture.

- International reporting
- National strategies and programmes
- National laws
- Institutional entities
- Other influences



promote the transformation of Vietnam's urban economic model toward green growth and climate change adaptation. Under its umbrella, 23 cities and towns have been selected to pilot green urbanisation (Bizhub 2018).

Moreover, several additional climate change related sectoral policies and action plans were launched over the course of the last two decades under different ministries (Figure 3 and Box 1). Overall, Vietnam's current climate change policy environment consists of various legislations, strategies and action plans addressing similar issues with overlapping time frames.

3.2 The institutional structure coordinating climate change

The **National Committee for Climate Change (NCCC)** is the highest-level institutional body in charge for climate change policy (see Figure 4). This inter-ministerial committee was established in 2012 to formulate and implement climate policies following the Na-

The National Committee for Climate Change (NCCC) is the highest-level institutional body in charge for climate change policy.

tional Climate Change Strategy. The committee advises the government on climate change issues and is tasked with coordinating the development and implementation of the country's climate policies. Although this is not an official requirement, the NCCC is chaired by the prime minister and two vice chairmen: the Deputy Prime Minister and the Minister of MONRE. Further representatives include other ministers, members of some National Assembly agencies and experts. The NCCC has authority to issue directions to all relevant line ministries and the People's Committees of all 63 provinces (Nachmany et al. 2015; McKinley et al. 2015).

The **Ministry of Natural Resources and Environment** and more specifically, its **Department of Climate Change**, hosts the Standing Office of the NCCC. MONRE is assigned by the Prime Minister as the leading climate change agency, tasked to formulate national climate change policy and to coordinate implementation of climate actions across sectors and sub-national governments (Nguyen Sy 2017). It acts as the national focal point to the UNFCCC. MONRE is tasked with reviewing and planning climate budgets with the **Ministry of Planning and Investment (MPI)** and the **Ministry of Finance (MOF)**, but is not the leading agency in allocating funds to cope with climate change.

The **MPI** coordinates the country's overall development strategies, planning and national investments, including mobilising and managing ODA and climate finance. The MPI is responsible for the National Green Growth Strategy and in charge of formulating related policy and overseeing implementation. The MPI is also the National Designated Authority for the Green Climate Fund and it established a Climate Finance Task Force to guide the preparation of financing mechanisms. Additionally, the MPI coordinates Vietnam's efforts to implement the Sustainable Development Goals.

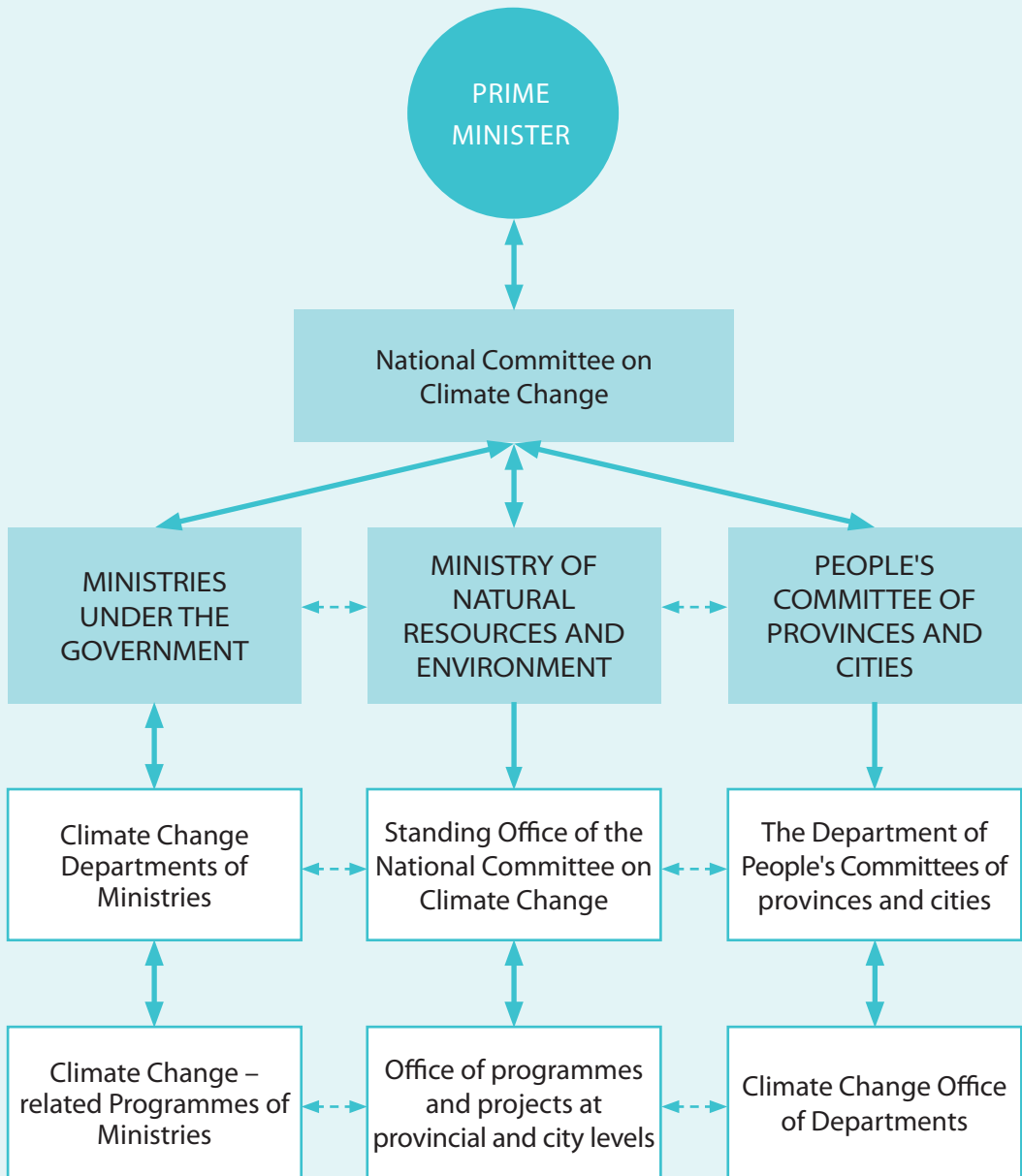
Vietnam's climate policy framework tasks all national line ministries with mainstreaming climate change issues into their strategies and plans. For example the **Ministry of Agriculture and Rural Development (MARD)** oversees climate change issues that affect rural development. It is also the national focal point for Disaster Risk Management. The **Ministry of Industry and Trade** coordinates the management and development of Vietnam's most carbon-intensive industries. It is responsible for implementing national target programmes on energy efficiency and for establishing a framework for renewable energy, among other efforts (ADB 2013).

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The **Ministry of Construction** is in charge of planning and developing urban and regional infrastructure. It also assists the MONRE and the respective provincial ministries in preparing land use plans and coordinates the implementation of the National Programme for Urban Development 2012-2020 across ministries and provincial authorities. Other ministries responsible for climate change activities based on their core functions are: the **Ministry of Transport (MOT)**, **Ministry of Foreign Affairs, Ministry of Science and Technology (MOST)** and the **Ministry of Education and Training**.

Vietnam's climate policy framework tasks all national line ministries with mainstreaming climate change issues into their strategies and plans.

Figure 4: Vietnam's institutional climate governance framework (adapted from Timmerman et al. 2017)



3.3 Sub-national climate change governance

Urban climate action in Vietnam is strongly influenced by the status of cities and their autonomy. Five cities have the status of a province and are centrally administered, all other cities and towns fall under provincial administration. Vietnam's urban classification system distinguishes six classes of cities: "Special Cities" (Hanoi and Ho Chi Minh City) and "Class I" to "Class V" cities following their spatial dimensions, population size and density, economic activities and infrastructure development. The classification defines the city's role and function and determines its administrative autonomy and access to funding (Socialist Republic of Vietnam 2016a). Infrastructure investment is prioritised for Special Cities and other municipalities, which are all Class 1.

All 63 provincial level authorities, including the large cities, are responsible for planning and implementing a broad range of national climate change

All 63 provincial level authorities are responsible for planning and implementing a broad range of national climate change policies.

policies. They are for example **requested to develop climate change action plans, green growth action plans and disaster risk reduction and management plans.**

Guidelines to direct provincial planning are issued by the respective line ministries, i.e. guidelines developed by MONRE for the implementation of provincial climate action plans were issued in 2009 under the NTP-RCC. Consequently, all provinces and cities have developed climate action plans under the first phase of the NTP-RCC (2010-13). Those are being revised and updated under the following phases of the target programme.

Additionally, following the example of the NCCC, some provinces have established provincial cross-sectoral coordination committees and/or an office for climate change under the Department of Natural Resources and Environment (DONRE) to coordinate climate change actions. Other provinces have added climate change as a function to an existing division under DONRE, i.e. the division for water management.

As the next chapter will show, there are high levels of "compliance" concerning the translation of national strategies into sub-national planning instruments, due to financial support for climate planning by international organisations, among other factors. The quality of these plans and the potential of having them financed is however highly ambiguous (Christoplos et al. 2016; Nguyen Sy 2017). Moreover, despite efforts of MPI to guide provinces in integrating climate change into their public expenditure planning process, climate plans are usually not integrated into the regular SEDP planning process (Tyler et al. 2016). In general, there is scarce evidence that these plans are actually implemented.

3.4 Financing climate actions

According to the MPI, around 40 billion USD of investment are needed to address climate change and green growth within the period of 2016-2020, based on options identified in the NDC, and an adaptation investment of four per cent of GDP (Pham Hoang 2015; MOF 2017). Though the exact number may be subject to debate (CPEIR 2015; Hodes 2017; Audinet et al. 2016), it indicates the scope of financing needed.

Financial sources for implementing the main climate change action plans are not specified in the respective national strategies. The NCCS and NGGS are not explicitly identified in the planning and budgeting cycle (CPEIR 2015), and there is no budget line in the state budget planning system for climate change activities (Nguyen Sy 2017). The NAPCC and NGGAP only note that capital resources for implementation must come from the state budget and international sources (CPEIR 2015).

Climate actions are mainly implemented through National Target Programmes, especially the 15-year National Target Programme to Respond to Climate Change NTP-RCC (Phase I: 2009-2010 / Phase II: 2011-2015 / Phase III: 2016-2020 - now also including Green Growth), the National Target Programme on Energy Efficiency and Conservation and the Support Programme to Respond to Climate Change (SP-RCC). The National Target Programmes are allocated a budget from domestic sources and international loans and grants.

The SP-RCC is a financing mechanism set up to mobilise international funds to support climate actions, especially those laid out in the NTP-RCC. It directs donor contributions to the central budget on an annual basis. The SP-RCC is also a coordination mechanisms set up to strengthen cooperation and dialogue on climate actions between the government and development partners. Through annual cycles, the Vietnamese government and development partners agree on climate policy actions, which upon delivery trigger budget transfers to Vietnam (CPEIR 2015).

Another potential source for financing climate change projects is the Vietnam Environment Protection Fund, established in 2002, which oversees funds for nature conservation and Disaster Risk Reduction Management (DRR) (Priambodo et al. 2013).

Vietnam can access international climate finance through multilateral implementing entities, but it has not achieved direct access through the accreditation of a National Implementing Entity to the Green Climate Fund.

Box 1: Overview of Vietnam's climate governance architecture.

Key climate policies

- National Target Programme to Respond to Climate Change, 2008-2020
- National Strategy on Environment Protection to 2020 (2012)
- National Climate Change Strategy to 2020, (2011) and National Climate Change Action Plan, 2012-2020
- National Green Growth Strategy to 2020, (2012) and National Green Growth Action Plan, 2014-2020
- Resolution: Active response to climate change, improvement of natural resource management and environmental protection (2013)
- Revised Law on Environmental Protection (2014)
- Plan for Implementation of the Paris Agreement (2016)

Key climate governance bodies

- National Committee on Climate Change, led by the Prime Minister.
- MONRE acts as focal point to the UNFCCC, hosts the steering office of the NCCC and leads the Multi-Sector Working Group on the NDC Review and Update;
- MPI is the focal point for green growth.
- MARD is the focal point for Disaster Risk Reduction Management (DRRM).
- Some provinces have established cross-sectoral climate change coordination committees and/or an office for climate change under the Department of Natural Resources and Environment.

Key climate finance mechanisms

- MPI is in charge of managing ODA and climate finance and leads the Climate Finance Task Force.
- Domestic and international climate financing is mainly channelled through the Support Programme to Respond to Climate Change and the National Target Programme for Climate Change and Green Growth.

4. Chapter highlights:

- Vietnam's climate policies are currently defined at the national level with limited influence of the diverse needs and opportunities of local populations and institutions.
- Various climate plans are coordinated by different line ministries. This results in fragmented approaches to climate change planning, action and reporting at the sub-national level.
- Climate change committees at national and provincial level aim at strengthening cross-sectoral cooperation, they do however face difficulties in practice due to limited political leverage.
- Despite institutional challenges, sub-national actors and larger cities, have implemented innovative climate strategies. Climate action is driven by the need to reduce vulnerabilities, understanding the benefits of green growth and new opportunities from national and international partnerships.

4. Multi-level governance in practice

The strong support of Vietnam's central government for climate action coupled with the current need to expand and modernise the countries' cities, provides a timely opportunity to shape low-carbon, climate resilient development. However, many climate change plans at the sub-national level are downscaled from top-down national strategies, often detached from local realities and are left unimplemented. Additionally, climate actions are mostly addressed through specific strategies, while other development plans are implemented independently. Despite these governance issues of vertical and horizontal integration, cities and municipalities find other drivers to implement climate actions.

Vietnam's climate governance framework consists of a comprehensive set of policies for climate change adaptation, disaster risk management and green growth. These national strategies need to be transposed into feasible plans of action for line ministries, Provincial People's Committees and departments. These plans then need to be integrated into annual planning and budgeting cycles, along with many other priorities. Chapter 4 explores how Vietnam's institutional framework for climate change response is playing out in practice. The three subsections of this chapter discuss vertical and horizontal integration and explore drivers of climate action at the local level.

Section 4.1 looks at the implementation of national climate policies at the sub-national level. It explores the development and climate change planning and budgeting mechanisms across levels of government. This section highlights opportunities for achieving greater policy coherence through strengthened two-way vertical coordination processes and through aligning climate change and development planning instruments. **Section 4.2** provides a reality check of the institutional coordination of climate change, noting that the long-standing issue of vertical and horizontal fragmentation challenges effective cross-sectoral climate response. Climate change coordination mechanisms at national and sub-national levels offer opportunities to increase integration of policies and actions. However, they face difficulties in practice. Finally, **Section 4.3** looks at the drivers

of local climate action at the provincial and city level. The high vulnerability to climate impacts has played an important role in putting climate change on the political agenda and in driving adaptation efforts. However, motivations to mitigate emissions revolve around factors tied to economic opportunities, reputational benefits and international partnerships.

4.1 Vertical integration of planning and budgeting

Vietnam's highly centralised planning and budgeting system strongly influences the translation of the country's climate objectives into sub-national actions. As in many countries around the world, the climate pledge of Vietnam (the NDC) was formulated based on national level assessments without adequate local consultations and does not reflect local priorities (LEDS GP 2017). Yet, achieving ambitious climate actions requires integrated policies that reflect local needs and capacities and bring about co-benefits for existing development priorities.

General planning framework

At the core of Vietnam's planning system, the five-year SEDP provides the basis for the development of annual plans and budgets (Dang and Sui Pheng 2015). Those are developed at national, sectoral, provincial and commune/ward levels, following national strategies. The five-year national SEDP is accompanied by a Public Investment Programme coordinated by MPI and MOF, which serves as the basis for capital allocation (Dang and Sui Pheng 2015). All four administrative levels (see Chapter 3) go through an annual planning and budget cycle. At each sub-national level, SEDP plans are drafted by officials of the Department of Planning and Investment (DPI) with contribution from other departments and by respective technical department. The plans are approved by the respective People's Committee, before being submitted to the People's Council for endorsement and budget requests are forwarded to higher tiers of government (de Wit 2007).

This "nested budget system" (see Figure 5) is defined by the State Budget Law of 2002. The National Assembly allocates state budget funds to local governments (Pham Hoang 2015). Budgets of lower-level government tiers are reviewed and approved at the respective higher governmental level, until they reach the central level where they are integrated into the overall state budget (Morgan and Long 2016). After assessment and consultation with several agencies, the National Assembly then approves the estimated

¹³ Based on Prime Minister Decisions on the allocation of investment budget, and allocation of recurrent budget (Le Thi Mai 2015).

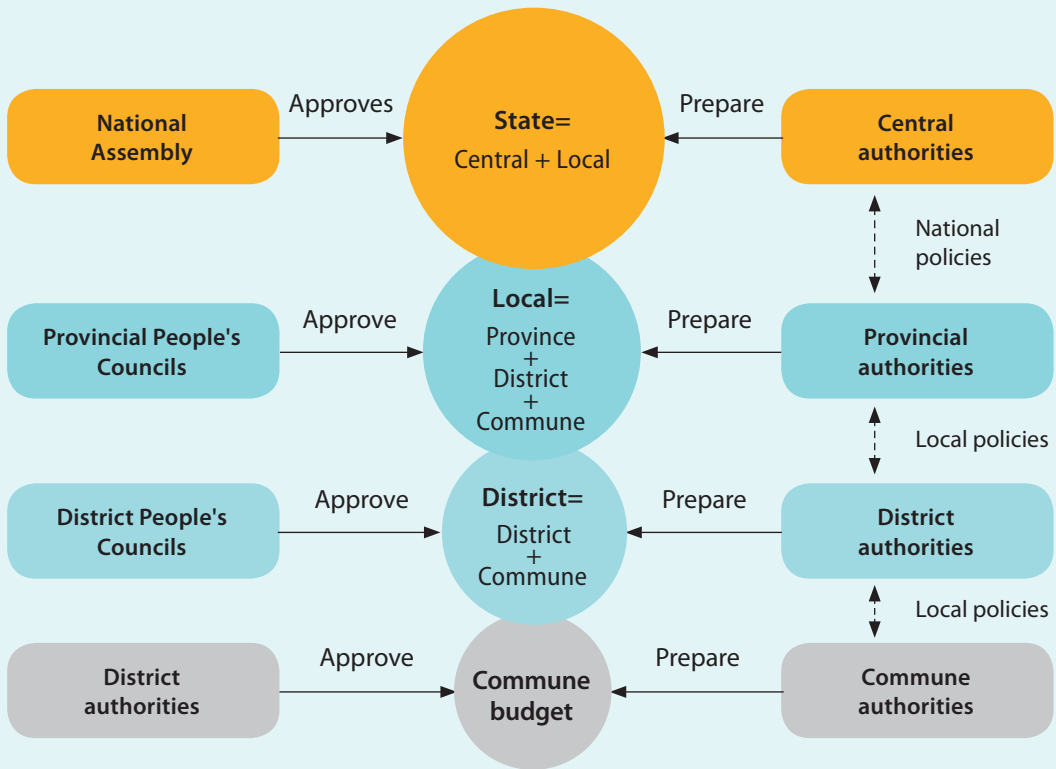
total budget (Dang and Sui Pheng 2015: 129).¹³ The budget and amounts dedicated to climate action must be approved by both the People's Council at the same level and as well as vertically by higher level ministries (OECD 2016).

Vietnam's top-down vertical planning and reporting process, characterised by sending information up the levels and sending requests and decisions down, limits the autonomy of lower-level governments. Their approved budgets are often subject to adjustments from higher-level authorities (Morgan and Long 2016). This hierarchical structure allows little independence for decisions and plans at local level. This can adversely affect efforts to plan for local climate resilience. An interviewee from a civil society organisation explained that: "Each level receives targets and guidelines from a higher government level. Resilience gains achieved through local activities cannot be taken over in the long term or planned locally, because everything is specified from the top down. For example in the agricultural sector, what needs to be planted is specified by the central level, not taking into account whether vulnerability studies have identified more suitable, climate-resilient crops" (2016).

This hierarchical structure allows little independence for decisions and plans at local level. This can adversely affect efforts to plan for local climate resilience.

In addition, the nested approval process significantly shortens the budget cycle, leaving little time for People's Councils to review the draft budget (The World Bank 2015a). The annual submission deadline gives three sub-national levels of government less than seven months to complete the nested process. Representatives of People's Committees at local level reported in an interview (2017) that this short time-frame is not sufficient given the complex planning required and the lack of readiness of the people involved. An interviewee from a national ministry noted: "there is nearly no time at local level, particularly for communes and districts, to do the planning activities. [...] So the vertical integration of the planning process and planning capacities at different levels are very weak" (2016).

Figure 5: Nested budget system in Vietnam (adapted from The World Bank 2015a)



The process of sending information upward to contribute to and review national SEDP formulation consists of a formal consultative process and engages with a range of actors. Through this process, local actors can in theory shape central policy by issuing proposals regarding their concern. However, it only engages pre-selected actors in the planning process and it is not always clear if and how these consultations influence the final documents (Dang and Sui Pheng 2015), as there is no process of cross-checking whether the issues raised have been considered. Finally, the general public cannot contribute to the planning and budget preparation process as the budget is only disclosed after approval by the legislature (Dang and Sui Pheng 2015).

The current review and update process of Vietnam's NDC provides an example of the nature of consultation. Several major stakeholder consultation workshops and many additional smaller events were held and included representatives from provinces, line ministries, development partners, consultants, scientists, NGOs and sometimes the private sector. Although labelled as 'stakeholder consultations', the main purpose of these events was to inform the audience about the progress on the technical report of the updated NDC, with very limited time devoted to comments from participants. Whether this feedback is reflected in the final documents is not officially monitored. As a local climate action expert summarised: **"Participation often stays at the level of tokenism."**

Additionally, several interviewees stated that the Party influences decisions on planning and budgeting.

Overlapping responsibilities of different government levels and unclear division of mandates also impact the implementation of climate actions (See Box 2). At the

Box 2: Practical example of the importance of vertical integration for urban planning.

The People's Council of Hanoi agreed to expand investment in public transport, including a bus rapid transit system, monorail and subway, to ease congestion and air pollution. In theory, the People's Committee is solely responsible for planning, regulating and maintaining transportation infrastructure and services. In practice, however, various government agencies still retain responsibility for certain infrastructure. For example, two of the urban rail lines approved in the Hanoi Transport Master Plan in 2008 are managed by the Hanoi Railway Board, one by a MOT agency, and another one by the central government's Vietnam Railways Corporation (VRC). Hanoi's Department of Transport, however, has no jurisdiction over the activities of the VRC in Hanoi. Under national regulations, the city's People's Committee is responsible for urban railways and should in theory have some oversight of the suburban rail services that VRC may wish to operate in Greater Hanoi (Phin and Dotson 2011).

city level, rapid and uncontrolled urbanisation is exacerbating climate risks. There is “a lack of clear authority of city governments for urban planning” (Nguyen 2018), resulting in weak local capacities to deal with urban infrastructure financing and environmental management.

Although municipalities (class 1) have more leverage than other cities and towns, the central level maintains key functions that conflict with the autonomy of sub-national governments. In general, local authorities reported in an interview a strong dependency from upper levels in combination with cumbersome flows of information and decision-making procedures to implement local climate action (2017).

Provincial climate change planning

The National Target Programme to Respond to Climate Change was the first to require line ministries, cities and provinces to develop climate action plans. Under the guidance of MONRE, all provinces and cities developed climate action plans under the first phase of the NTP-RCC. To date, all 10 line ministries and all 63 provinces have issued Climate Change Action Plans (Tyler et al. 2016). The NTP-RCC played an important role by supporting recurrent spending investments for climate change response (CPEIR 2015) and contributing to local capacity building.

The strong top-down, centralised structure of the Vietnamese planning system incentivises provinces to comply with national guidelines and develop their local climate action plans. However an implementation gap remains.

While the strong top-down, centralised structure of the Vietnamese planning system incentivises provinces to comply with national guidelines and develop their local climate action plans, an implementation gap remains. According to interviewees, **there are huge variations concerning the ownership and quality of the local climate action plans.** “Coastal provinces have identical plans as mountain provinces” said an interviewee from a civil society organisation to highlight the poor quality of the first round of provincial plans. The plans are often aligned closely to the provisions provided by the central level and are not adjusted to local conditions. This situation results in a reality gap that impedes efforts to tackle the problems on the ground with innovative approaches and solutions. Many provinces did not approach the development of their climate action plans strategically. Policy documents were often written without assessments of the regional unit’s

current status, level of vulnerability or climate impacts. Even when such preparatory work was conducted, it was often based on inappropriate databases. Therefore, these assessments sometimes led to misleading assumptions and conclusions (Nguyen Sy 2017). Lack of relevance, in turn, makes government efforts unsustainable as there is no commitment to follow through on implementation.

Local climate change planning is often coordinated by DONRE with limited involvement of local stakeholders and other technical departments, resulting in a ‘wish-list’ of projects that are not aligned to other sectoral development priorities or financially feasible. Coordinating such strategies across departments is challenging as DONRE has no leverage over the planning and investment choices of other agencies (Nguyen et al. 2015). What is more, given limited staff and capacity, plans are often developed by (international) consultants that use general models and identify activities that are, again, not financially feasible; neither do they follow up on implementation. Outsourcing planning activities to consultants also means that planning capacities within local institutional structures are not built up (interview with civil society organisation, 2016).

Provincial level authorities are responsible for planning and implementing a broad range of national climate change policies. In addition to the climate action plan, they are asked to develop local action plans in accordance with the National Green Growth Strategy and Action Plan, the Plan for Implementation of the Paris Agreement and the Party’s Resolution Nr. 24, although these plans have fewer binding responsibilities (Nguyen Sy 2017). To formulate these additional plans, some provinces updated their existing climate action plan while others published separate plans. Other provinces did not even begin developing or updating plans. Notably, all national policies request annual reports, but **there are no common reporting provisions** for sub-national governments and reporting guidelines are vague. Reports on the NCCAP have to be submitted to MONRE; reports on the PIPA to the Standing Office of the NCCC at MONRE; NGGAP reports to MPI and reports on the Party Resolution to the Central Committee. **Overall, implementing and reporting on multiple overlapping national strategies is challenging for local authorities.**

Additionally, a key factor that hinders the effective translation of plans into practice is the lack of mechanism for ensuring responsibility and more importantly accountability of decision makers in relation both to climate-related and development decisions. Indeed, these shortcomings have been highlighted by many interviewees as the key barriers to meaningful policy implementation at the local level.

Another interviewee from a provincial People’s Committee reported that they are “facing

challenges to mobilise resources to implement our targets, activities or projects” (2017). Financial sources for implementing climate change action plans are only vaguely specified in the respective national strategies, only noting that capital resources for implementation must come from the state budget and international sources (CPEIR 2015). The NTP-RCC did not specify either how the budget will be mobilised and distributed to implement its priority activities (Nguyen Sy 2017). The loans and grants provided by development partners in the framework of the SP-RCC are much higher than requested in the NTP-RCC budget (Nguyen Sy 2017). Funding for climate action is therefore - in theory - available. Still, several interviewees confirmed that the potential of having the plans financed is unclear.

The most consistent weakness of provincial climate change planning, is that the **local climate action plans are poorly integrated into local planning and budgeting processes** (Tyler et al. 2016). One interviewee from a multilateral organisation cynically described the current approach to climate change planning as a money-making machine for consultants with little effect on changing investment choices “an issue is that the climate change community wants its own planning. Here, all choices are made by sectors”. A local climate action expert emphasised that climate planning recommendations need to be integrated into local social and economic development planning to influence investments and public expenditures: “Climate change is currently poorly integrated into development plans. This partly explains the poor implementation of climate change action plans as people always expect brand new projects with funding purely for climate

“Climate change is currently poorly integrated into development plans, instead people tend to expect brand new projects with funding purely for climate change.”

change. Not many local decision makers and planners seriously consider climate change as a threat to their growth targets and that they can use existing budget in their sector to address climate change” (2018).

Policy gaps also remain. For instance, despite the large number of climate change policies, there is no formal and strong enough requirement to mainstream climate change into development planning. The agriculture sector with a circular¹⁴ by MARD is an exception. However, this legal document has been poorly enforced and applied. In addition, even when climate plans call for mainstreaming climate change into development plans, most development projects and programmes have to apply existing rigid technical standards (e.g. standards related to drainage system, dykes, reservoirs etc.). These are often not adapted to dealing with the uncertainty of climate impacts.

¹⁴ Circular 809/CT-BNN-KHCN

A new planning law for greater horizontal and vertical integration

Vietnam's controversial **New Planning Law** will take effect on the first of January 2019 and provides a chance to foster greater coherence between different plans (VLLF 2018). The law abolishes specific master plans for industries and products and introduces a new national system of master plans. National master plans are divided into four categories: overall, sectoral, land-use and marine space. The planning system comprises of the national, regional, provincial and urban/rural government level, including special administrative economic zones. The master plans must include a long-term vision of 30-50 years at the national level and 20-30 years for the regional and provincial levels.

The law preserves a strong top-down planning system, where the national overall master plan serves as a basis for all sectoral and sub-national plans. However, some levels of government are given more autonomy in their jurisdiction as long as planning at higher level is not affected (VietnamNews 2018b). The law also foresees a feedback mechanism under which agencies, organisations, communities and individuals are entitled to contribute opinions on and supervise planning activities. The law further advances integrated planning by coordinating among relevant ministries, agencies, localities and experts.

The endorsement of this law was regarded by a local climate action expert as an opportunity for more holistic and integrated planning. However, "its implementation will be in the hand of the same people who often lack understanding of climate challenges." For example, many legal requirements such as the obligation to apply Environmental Impact Assessment and Strategic Impact Assessment in important projects/programmes have been in place but these requirements have not been effectively enforced.

The approval of the new planning law implies that other planning-related laws will need to be amended, including some on electricity (VietnamNews 2018a). These revisions and amendments are opportunities to clarify multi-level governance and to contribute to mainstream climate action in development planning.

4.2 Horizontal climate change coordination mechanisms in practice

Weak inter-ministerial coordination

In Vietnam, climate change responsibilities lie with different ministries: MONRE is the leading agency for climate change coordination; MPI coordinates green growth and MARD leads disaster risk reduction and management. Other climate relevant issues such as urban infrastructure, energy and transport are coordinated by the respective sectoral ministries; climate finance is coordinated by MPI and MOST is involved in climate forecasts.

“In terms of planning and policy formulation, the coordination is very weak at the central level. The situation at the provincial level is the same. Everybody wants to take the lead, but no one wants to be a part of implementation.”

The allocation of climate change responsibilities to different ministries requires strong inter-ministerial coordination to drive forward a coherent and effective climate change response. However, numerous studies have described the Vietnamese government system as strongly fragmented and horizontal coordination as weak. A World Bank report notes that “fragmentation in decision-making and

financial resources, combined with a high degree of competition and territoriality on behalf of each sector specific agency can make urban management grossly inefficient” (The World Bank 2015b). This fragmentation directly impacts coordination. An interviewee from a national ministry explained that “in terms of planning and policy formulation, the coordination is very weak at the central level. The situation at the provincial level is the same. Everybody wants to take the lead, but no one wants to be a part of implementation” (2016).

As in many other countries, ministries at the same governance level do not have the leverage to give directions to each other: “we lack a focal person with higher power; because all the ministries have the same power the coordination is weak. There is a lack of a top leader who can lead the process” (2016). The same interviewee pointed out that inter-ministerial coordination is often perceived as an infringement of power and that the political culture is often shaped by competition rather than cooperation. An interviewee from a civil society organisation added: “coordination on climate change issues is sometimes not desired because, in terms of the acquisition of funds, ministries want to individually tap into financial pots” (2016). Inter-ministerial coordination was generally

reported as slow and inefficient and takes the form of official letters that take up to three months each way.

A lack of inter-ministerial coordination can isolate climate action from sectoral planning and thereby impact the climate proofing of public investments. Urban development is especially at risk. Vietnam's cities are urbanising rapidly, infrastructural decisions can lock cities into carbon-intensive pathways for decades. The MOC is key in influencing urban development in terms of providing guidelines, policy directions and regulations such as building codes. The ministry has issued a policy that requests cities to mainstream climate change into their master plans and urban development plans (Nguyen et al. 2017a). Despite its influence on a highly emissions intensive industry, **MOC does not play an important role in the country's climate change strategies.**

In a stakeholder consultation meeting on the NDC Review and Update, a representative of the MOC mentioned that the ministry had been involved in elaborating on the adaptation component of the updated NDC, but not the mitigation component. Both PIPA and the NGGAP assign five (out of 68) tasks to MOC, and the NCCAP assigns six (out of 66) tasks to the ministry. Notably, most of the assigned tasks refer to construction. Tasks referring to infrastructure planning are connected to adaptation, not mitigation. This narrow scope does not cover the risk of locking urban investments into emissions intensive activities; for example cement production, cooling of commercial buildings and solid waste. When asked about cooperation between MONRE and MOC on NDC implementation, another government representative said that MOC's Department of Science, Technology and Environment did not have enough staff to tackle this task. Overall, it is evident that while **there are many national policy measures to address climate change and urban development, there is little coordination and integration** (Nguyen et al. 2017b). Furthermore, "there is no national policy that centres on cities and their role in national economic development" (The World Bank 2015b).

Efforts to mainstream climate change and low-emissions development into urban policy to increase the resilience of Vietnamese cities are undertaken by international agencies (Asia Development Bank, The World Bank, UN-Habitat) directly with cities (e.g. HCMC and Hoi An). Additionally, a new Urban Development Law is currently being developed that will integrate climate change.

As the previous section has shown, limited coordination at the national level leads to fragmented approaches to climate planning at the sub-national level, where provinces are mandated to implement overlapping national strategies. Harmonising the imple-

Harmonising the implementation of national climate change and green growth strategies would increase coherence and effectiveness of climate planning, budgeting and reporting at sectoral and sub-national level.

mentation of national climate change and green growth strategies would increase coherence and effectiveness of climate planning, budgeting and reporting at sectoral and sub-national level. Such harmonisation could occur in the context of the SEDP planning and budgeting process (CPEIR 2015).

A first step towards converging climate change adaptation and mitigation has been recently undertaken by including Green Growth in the third phase (2016-2020) of the NTP-RCC. The two strategies under the NCCC, green growth and climate change, now both implemented with the support of the NTP-RCC 2016-2020. An interviewee from Quang Nam province approved this decision from the central government: "We totally agree with this combination. This enables us to use funds more effectively to meet these challenges" (2017).

The National Committee on Climate Change

The National Committee on Climate Change (NCCC) was set up at highest political level to facilitate the horizontal and vertical coordination of Vietnam's climate response. The NCCC's Standing Office, hosted by MONRE, is the vertical link between the operational level and the Committee. The Standing Office can bring together relevant ministries, agencies and other stakeholders by sending a formal letter requesting collaboration. Through this mechanism, it can also appoint working groups and task forces. Chaired by the Prime Minister, the NCCC is the highest inter-ministerial governance body on climate change and therewith has, in theory, the political power to drive cross-sectoral coordination and harmonise strategies. Interviewees however noted that the committee's role has been limited as it held only nine official meetings since its inception in 2012.

An interviewee from a national ministry mentioned that its convening power is not recognised by some ministries (2018); the MOF for example does not seem to attach importance to the committee and may not come to the meetings when invited. The interviewee further noted that "there are over 400 committees for inter-ministerial coordination in Vietnam, it's too many, and there are no regular meetings" (2018). More direct collaboration across ministries would be preferable to too many committees. The NCCC is

perceived as a symbolic, representative body that does provide a platform for discussions and for initiating coordination, but is not actively steering processes.

Another national coordination mechanism, the Inter-Ministerial Coordinating Board (ICB) is tasked with coordinating the National Green Growth Strategy. It is formally anchored under the NCCC and MPI is supposed to host a standing office to support it. However, at the time of writing (2018), the board had not been active yet. This coordination structure again reflects the conceptual and functional separation of climate change adaptation and mitigation under different ministries.

Overall, the NCCC's role still bears untapped potential for converging the national climate change and green growth strategy. It does formally have the institutional standing and political power to foster coherence in Vietnam's climate response, but it is not effectively doing so yet. The committee could also have a key role in setting up an effective monitoring and evaluation system to address the lack of joint reporting and other mechanisms for cooperation in climate change response among sectors and cities. Indeed, the absence of a functioning monitoring mechanism and the lack of accountability in relation to the implementation of climate change and green growth plans (but also development plans) have been highlighted by many interviewees as key barriers to meaningful policy implementation at the local level.

Horizontal coordination at provincial levels

While some provinces have set up cross-sectoral climate change coordination bodies (see below), climate change activities are usually led by DONRE. In 2014, the Ministry of Home Affairs and MONRE approved a joint circular that added climate change to the responsibilities of DONRE in all provinces (Tyler 2017). The regulation created an important formal institutional home for climate change at the provincial level, which can be staffed and funded from central government budget (Tyler 2017). However, assigning this mandate to a single department has major drawbacks for multi-stakeholder climate planning and action. DONRE does not have leverage over the planning and investment choices of other agencies. According to a local climate action expert (2018), climate change planning is indeed perceived as a task that only concerns DONRE and is separated from other sectors, resulting in a poor integration of climate change issues in sectoral development plans and investment priorities.

In a recent interview, an official from MPI explained that the Provincial Green Growth Action Plan would hardly be linked with the SEDP if led by a weak DONRE, as opposed to DPI. DONRE's ability to coordinate climate action plans across sectors is limited as the department "does not have enough power to coordinate with other departments" (Nguyen 2017). This statement should be understood in the Vietnamese context where "government agencies operate on a command-and-control basis" (Tyler et al. 2016). Government organisations frequently misinterpret the term 'coordination' to mean 'control', which becomes problematic as agencies at the same government level do not have authority over each other (Tyler et al. 2016).

Provincial climate change coordination committees

Some municipalities and provinces have also established committees to coordinate multi-sectoral climate planning and action. In 2009, **Ho Chi Minh City** was the first city in Vietnam to establish a Steering Committee on Climate Change to coordinate low-carbon urban development (Nguyen Sy 2017). A Climate Change Bureau (CCB) was established under the Steering Committee within DONRE, serving as the Committee's standing office. An important factor enabling the CCB to work effectively is that it has its own bank account and an official stamp and can therefore autonomously contract service providers and engage with relevant stakeholders, including for the formulation of the city's climate action plan (Nguyen Sy 2017). In contrast, the Standing Office of Climate Change of the **Quang Nam province** acts as a small unit under DONRE and does not have its own stamp or bank account, which hampers effective coordination (Nguyen Sy 2017). Moreover, offices under DONRE again lack the authority to orchestrate cross-sector collaboration.

Other examples are the **Climate Change Coordination Offices (CCCO)** set up in cities of various levels such as **Danang, Can Tho and Quy Nhon** with the support of the Rockefeller Foundation's Asian Cities Climate Change Resilience Network (ACCCRN). Lessons learnt from the ACCCRN project showcase the successes of the CCCOs in driving capacity building, data management, planning and project development; but also exhibit major challenges in institutionalising multi-sector coordination in the Vietnamese governance framework (Tyler 2017).

A key factor that strengthens the institutional standing of the committees is a form of high-level leadership. The appointment of a provincial People's Committee representative as chairman is important, however even with this, CCCOs struggle to gain legitimacy

(Tyler 2017). All government structures at all levels are regulated by Ministry of Home Affairs. Without a legal sanction from the national ministry, it is difficult for the CCCOs to be recognised by other technical departments and its coordination mandate may be easily eroded (Tyler 2017). Even if there is strong backing by sub-national level leaders, there is ultimately limited scope for local planning and decision-making due to a strong dependence on national government support and funding.

A key factor that strengthens the institutional standing of the committees is a form of high-level leadership.

4.3 Driving factors of local climate action in Vietnam

The previous sections noted that Vietnam's multi-level climate governance architecture still faces various practical challenges. Despite gaps in the enabling governance framework, cities and provinces have implemented climate change actions and engaged in international city-to-city exchanges. This section explores the factors that drive cities to engage in climate action. Vulnerability has played an important role in putting climate change on the political agenda (Zimmer et al. 2015) and in driving adaptation efforts at the national and provincial levels. At the city level, the motivation to adopt climate change mitigation policies revolves around factors tied to economic opportunities, reputational benefits and international partnerships.

Access to donor support and private investments

As with many other developing countries, the high vulnerability of Vietnam to existing and near-term climate impacts results in a strong focus on climate adaptation. In contrast, long-term climate change mitigation actions are underfunded from national financing streams. Eighty-eight per cent of national climate change funding is directed toward adaptation (CPEIR 2015). Province-level expenditures reflect national priorities and are mostly spent on climate adaptation related infrastructure, i.e. river dykes, embankments, resilient irrigation systems, waste management and improved water quality (CPEIR 2015). "We have the priority to reduce the damage from climate change or natural disaster firstly, before we can think about mitigation" stated an interviewee from a national research institute (2017). At the local level, mitigation activities are generally underrepresented, with actions mostly focused on energy conservation measures and forest development projects (CPEIR 2015). Notably, only a small share is allocated to provincial policy planning

or capacity-building activities (CPEIR 2015).

With the support of international donors, who have greater capacity and sometimes responsibility to address climate change, local authorities can reap important co-benefits from low-emissions development. As mitigation efforts tend to be financed externally (Zimmer et al. 2015), cities need to attract international funding to cover expenses for mitigation actions that are not directly cost-beneficial. Interviewees in public administrations mentioned the “search for business opportunities” as a motive for climate action.

“There appears to be no dearth of capital; the bottleneck is the lack of bankable projects that can meet risk-reward expectations of investors and unlock capital.”

“There appears to be no dearth of capital; the bottleneck is the lack of bankable projects that can meet risk-reward expectations of investors and unlock capital” stresses Hanh Le, Programme Lead, Global Green Growth Initiative Vietnam (Le 2018). However, as a local government representative put it “some cities are afraid of

integrating climate change into the approved planning as this may change the existing investment-development plan or may lead to difficulty on calling for investment” (2018).

Cities might improve their reputation by investing in environmental activities, which in turn might be useful for attracting new Foreign Direct Investment (FDI), more tourists and new city dwellers. Danang, for example, strives to achieve “role model status” by becoming an environmentally friendly “Environmental-City”, a “Resilient City”, and an “E-Government” at the same time (100 Resilient Cities 2017). However, according to a local climate action expert, conventionally, investors and donors often look first at factors such as opportunities for making benefits, fiscal incentives and quality of public governance. For example Danang has received attention more for its ranking in the top of the PAPI and PCI system than for advances in terms of climate action.

Several factors limit the access to the important international funds. Some factors, such as the uncertainty over regulatory and tax policies that affects low carbon infrastructure investments can be addressed at the national level. At the sub-national level, the relative independence of municipalities can make it easier to attract investment than for their non-municipal city counterparts. Smaller cities with lower autonomy and fiscal revenues have more difficulties finding important investment capital. Small projects are not attractive to commercial banks. Additionally, access to international green finance is often complex to access for cities with limited staff and capacity, and requires governmental

approval above two million USD. To address this issue, Hanh Le suggests that cities can create partnerships to “bundle projects and create the impact that financial institutions are looking for” (UN-Habitat et al. 2018).

Innovative financial mechanisms can leverage “greater investment from multiple investors (both private and public) by lowering the cost of capital” (Le 2018). To do so, diverse instruments, such as grants, guarantees and insurances can be blended to reduce risks. Under this approach public finance can serve as a catalyst and a strong ‘Monitoring Reporting Verification’ system could provide transparency to attract other investments.

Cities can create partnerships to “bundle projects and create the impact that financial institutions are looking for.”

While Foreign Direct Investment may offer great development opportunities, their social, economic and environmental impacts should be scrutinised. For example, the authorities of Danang have rejected some FDI projects—the development of both a steel mill and a pulp mill, and the construction of two textile factories—that could have had negative impacts on the local environment (Danang Today 2018). Instead, development plans with a more holistic approach can provide long-lasting cross-sectoral benefits that go beyond the immediate economic considerations.

Synergetic benefits as drivers of climate change mitigation

Reducing air pollution is a key co-benefit that motivates city level decision makers to support mitigation actions in many countries around the world. Hanoi for example has recently started to tackle its air quality issues with two programmes supported by France and Germany. City authorities aim to ban two-wheeled vehicles within the city’s most heavily congested areas by 2030. A daytime ban on trucks and lorries is already in force and no motorbikes are allowed around the area of the Old Quarter Hoan Kiem Lake on weekends. In addition to controlling the use of motorised vehicles, cities such as Danang and Hanoi are implementing plans to improve their public transportation system.

However, pursuing climate co-benefits associated with development projects may not ensure additional mitigation actions, compared to business-as-usual. Under their climate change portfolio, MARD and MOT finance infrastructure projects with climate-related co-benefits. However, almost half of MARD’s and most of MOT’s climate-related expendi-

tures have been classified as having “marginal climate change-relevance” (CPEIR 2015: 62).

There are many more activities with mitigation co-benefits such as addressing traffic congestion, construction durability, energy production independent from imports and simply improving urban quality of life (see Box 3). Cities can directly learn from the experiences of other cities and reap the benefits of implementing good practices.

Horizontal learning through networks and partnerships

In the absence of a coherent national policy framework that enables cities to implement climate actions, voluntary city networks offer sources of inspiration and support for city level action. Several interviewees explicitly expressed their interest in learning from best practice examples that are closely related to the Vietnamese reality and could thus be easily adopted. There is much room to learn from peer cities of the same class, which face similar climate risks. An interviewee from a multilateral development organisation highlighted the benefit of national city-networks: “Because of the very specific institutional set up of Vietnam and the limited leverage of Vietnamese local authorities, country wide horizontal learning networks are very important to motivate other cities to act. [...] Sometimes when we bring a solutions, even a very good experiences from Africa and explain it in Vietnam, people will react like ‘I think it’s a very far away, very different context, in Africa they have more money, and more coordinate than us, that won’t work in Vietnam’. They already have this prejudice in mind” (2017).

The Vietnam Urban Forum (VUF, established in 2003), the Urban Climate Resilience Community of Practice (established in 2011 under the purview of the VUF) and the Climate Change Working Group (established in 2008) are examples of platforms that support horizontal learning across cities. Interviewees shared positive views of the impacts of these forums and networks, including sharing best practices with regard to practical approaches, project ideas and finance (2017).

The absence of both Hanoi and Ho Chi Minh City from the VUF can be considered a drawback for smaller cities, as an interviewee describes: “Both [cities] are not involved in national city cooperation and knowledge sharing platforms, the bigger cities feel they cannot learn from the smaller, poorer and less developed cities. They are rather interested in international cooperation platforms” (2018). Hanoi and Ho Chi Minh City are for example members of the C40 network and the project ‘World Cities’, which is a platform for knowledge exchange between EU and non-EU cities.

Interregional coordination offers opportunities to collaborate within a space defined by its ecosystem and social features rather than administrative boundaries. A trans-boundary ecosystem-based approach to climate and development planning is critical as the resilience of a region can be directly affected by developments in another. For example, provinces in the Mekong delta are interdependent and connected through the river and its ecosystem. In 2017 the government adopted a resolution to implement regional solutions to increase the resilience and sustainability of the Mekong delta development. This resolution was supported by development partners and perceived as an effective development strategy (Nguyen 2017).

Box 3: Community art for a better place in Tam Ky.

Since 2015, Tam Ky's People's Committee has worked closely with UN-Habitat, the Cities Alliance, and International Urban Training Centre on the development of a community-based eco-cultural tourism development strategy for Tam Ky City. Viewing community participation as vital for sustainable tourism development, the city applied a unique approach: community art was created to raise awareness of the value of public spaces. The idea behind the approach came from an exchange with Korean cities to increase community members' awareness of their living environment and their interest in participatory urban planning.

An interviewee from a multilateral development organisation highlighted that interregional cooperation would have many benefits for sustainable development and offer a fruitful alternative to the current competitive model driven by the city classification system: "cities currently have to compete with each other. When you become a first-class city, you will have more focus on socio-economic development and more national and international investment. Especially in the central region, there are five cities that all compete with each other. In Danang, we have the seaport; it is one of our advantages. Hue and Quang Nam want to develop their ports too. They compete for economic benefits and to become class I city. [...] Each city or province has its own advantages. If Danang develops their seaport, Quang Nam has another advantage that they can exploit. They should cooperate, it is better than to compete" (2017).

Smart cities as drivers of sustainable development

The prospect of becoming a high-tech smart city can combine economic growth objectives with the need for and appeal of sustainable development. Smart cities are highly connected both internally and with each other, offering responsive monitoring systems. Such features can be useful tools to both attract FDI and rapidly implement best-management

Box 4: Smart city initiatives driven by international collaboration

In November 2017, the International Smart City Conference was held in Ho Chi Minh City jointly by the People's Committee of Ho Chi Minh City and the Vietnam Software and IT Services Association in cooperation with Japan. During this event, city authorities announced the plan to transform HCMC into a smart city by 2025, with special emphasis on environmental protection, by launching smart solutions for flood prevention and control and traffic improvements, among other measures.

Hanoi also plans to be a smart city (Saigoneer 2018b). The Japanese government is planning to build a smart city district from scratch entirely based on Japanese technologies, including self-driving buses, electric charging stations and a subway connection (Saigoneer 2018b).

In April 2018, the Vice Chairman of the People's Committee Danang announced a Memorandum of Understanding with the Vietnamese tech company FPT to transform Danang into a smart city by 2020 and a green city by 2025. Initial investment will support pilot projects in smart traffic systems, advanced natural disaster management systems, and hospital patient databases (Saigoneer 2018a).

practices that maximise environmental and social benefits. The global trend toward 'smart city' development is reflected in Vietnam and is perceived as an opportunity to foster international partnerships and access to investment (see Box 4).

While 'smart cities' development offers great opportunities for the rapid and efficient implementation of new technologies and measures, trade-offs can significantly undermine progress towards sustainable development. In some cases, progress on energy efficiency and wealth can result in higher demand and consumption of emissions-intensive services such as air-conditioners, individual polluting modes of transport, and overall electricity consumption.

Building capacity to enable leadership

The most innovative steps to showcase and implement climate action often result from the leadership of local leaders and civil society. Interviewees reported that the leadership and sustained involvement of local actors is critical for the implementation of local action. While it is difficult to systematise leadership, capacity training

and awareness-raising of climate change challenges and opportunities help provide the best information and means of action to leaders to drive change. However, according to a local climate action expert, most officials in charge of responding to climate change have not received professional training in the field of climate change (2018).

Policy actors consider the lack of financial resources and knowledgeable staff as the main governance constraints (Le Thi Hong et al. 2018). This is partly due to the institutional set-up that does not legally determine the tasks of civil servants.

Mandatory training of national and sub-national actors could be key enabling factors, as analytical capacity at the district and commune level is very limited (Le Thi Hong et al. 2018). Such training must comprehend and adapt to the reality of the participants, as interviewees pointed out. Trainers, ideally locals, need to learn from local conditions to best disseminate and tailor information. A sustained coaching process, tailored to the day-to-day work of local government staff is usually more successful than shorter training. It is also important that trained and skilled civil servants are not rotated across the bureaucracy system too frequently and can have sustained involvement in implementing climate action (Le Thi Hong et al. 2018).

Civil society can play a key role in informing government decisions and driving forward sustainable development. Despite the near absent freedom of press (Reporter Without Borders 2018) and government suppression of public protests, Vietnamese civil society is increasingly vocal and engaged in various environmental issues. There have been, for example, public protests against coal power plants, environmental pollution and air quality. An interviewee from a civil society organisation observed “environmental scandals increasingly harm the standing of the political system, environmental issues generate quite some political pressure” (2016). Vietnamese decision makers can leverage the engagement of civil society for environmental action and respond to their concerns on environment standards. For example, demonstrations against coal power plants have brought investors and decision makers to adopt measures to reduce pollution (Vietnam-News 2015; ThanhNienNews 2015)

Local action can also be led by a civil society that increasingly sees the benefits of sustainable development. For example, the NGO GreenID organised workshops on the Local Energy Planning (LEP) approach to turn Nam Cuong (3500 people) into the first clean energy commune (GreenID 2016). LEP engages communal stakeholders in identifying tailored and self-sufficient renewable energy solutions. In Nam Cuong province, the LEP approach showed that most of one commune’s energy needs (96 per cent in 2011) could be met if nearly half of local families produced biogas. LEP helps shift the energy demand of a regional unit to decentralised, clean energy solutions with co-benefits, such as reduced energy costs. Thanks to the inclusion of community members in the planning process, LEP sharpened understanding and awareness of the efficient use of energy (GreenID 2016).

5. Synthesis and entry points

The complex challenges resulting from climate change demand system-wide transformative planning and actions. At the heart of this transformation process is a more collaborative and coherent multi-level governance system that ensures complementarity of actions across levels of government and sectoral boundaries.

Vietnam's economy has sustained a remarkable economic growth rate that has raised living standards and lifted many people out of poverty. Rapid urbanisation and sharply increasing energy demands are however increasingly putting the social, economic and environmental sustainability of Vietnam's development gains at risk. There is now a timely opportunity to climate proof Vietnam's development, enable sub-national actors to plan and implement long-term green growth strategies and encourage the collaboration of relevant sectors and actors to support the transition towards a climate-resilient, low-emission development pathway that ensures the resilience and well-being of the Vietnamese people.

To meet its targets under the Paris Agreement, it is crucial that Vietnam coordinates actions at central and local levels. The central government's comprehensive climate policies demand action from sub-national actors, but implementation varies widely. More coherent guidance from the central level could safeguard the quality and feasibility of sub-national climate plans.

While decentralisation policies have provided more autonomy to sub-national levels of government, line ministries retain a significant range of climate relevant key functions, in particular with respect to infrastructure. Sub-national authorities are responsible for planning and implementing national priorities, but may not have the mandate or capacity to steer local developments. Two-way vertical coordination between sub-national and national government levels is weak. Additionally, the governance system is fragmented along sectoral lines. The lack of effective coordination mechanisms can lead to policy paralysis as responsibilities may be overlooked when each agency considers an issue to be outside its mandate (Peters et al. 2017).

5.1 Entry points for horizontal and vertical coordination of climate action

This section presents a set of suggestions to improve multi-level climate governance and transition towards a climate-resilient, low-emission development pathway in Vietnam.

Linking planning to implementation capacity



Vietnam's national government has formulated multiple climate change and green growth strategies that are downscaled to the local levels through a centralised top-down governance structure. However, most of the provincial plans are not implemented (Section 4.1) and cities' climate actions are often driven by other opportunities, reflecting limits to effective vertical coordination (Section 4.3).

The harmonisation of plans with overlapping scope and reporting requirements could provide more clarity to local actors. Implementation could improve with efficient national plans that support coherence, avoid overlaps with existing plans and provide clear mandates to subordinated institutions. Furthermore, translating national strategies into actionable guidelines for sub-national institutions could simplify and accelerate their implementation. Thereafter, defining clear indicators that allow to report jointly on plans with overlapping scopes (for example the PIPA, the Climate Change Strategy and Action Plan, and the Green Growth Strategy and Action Plan) could reduce the reporting workload of sub-national actors while increasing the accountability for climate action. However, indicators are tools and not end-goals; they need to be stringent enough to assess progress, but flexible enough to recognise a range of progressive results and processes as outcomes. Such indicators could help linking local action with progress towards achieving the Paris Agreement and the Sustainable Development Goals. The SEDPs offer a good platform to integrate the different goals into sub-national planning, increase accountability and reinforce coordination by enhancing local policy capacities and clear legal mandates for mitigation and adaptation (Le Thi Hong et al. 2018).

Scaling-up local action



Traditionally, Vietnamese citizens have been investing time and energy into many initiatives aimed at advancing the common good. This is equally true for the management of public spaces, raising awareness, public transportation, waste collection and other local actions that directly or indirectly promote climate resilience. Many initiatives, for example in Hoi An, Hanoi and Can Tho could be promoted broadly. This rich social capital is a key asset of resilience and, if garnered, can support the bottom up reporting of GHG reduction efforts. To respond to climate change, the Vietnamese top-down governance system can draw on local actors that are often at the forefront of climate actions despite their limited resources. Insights and feedback from the local level can help align decarbonisation strategies with local development priorities and realities of local level implementation. For example, some standards can unintentionally hamper action. The national level can enable local actors by creating regulatory frameworks and incentives that stimulate action, replicate successes and scale-up local successes. City-to-city networks can share concrete practices, share harmonised information (such as GHG inventories), disseminate lessons-learnt across local actors, build capacity and support action. Noting that current coordination mechanisms are weak or inactive, what cities and provinces need are coordination mechanisms with strong political support from the leaders of the Party and People's Committees. Sub-national horizontal exchange mechanisms have proven effective drivers of action and could be linked to national institutions to access international finance and, bundled together, to shape bankable projects that are attractive to investors.

Climate proofing development



Environmental issues, including climate change, are often addressed by specific plans while other development plans pursue their own objectives without necessarily accounting for their environmental impacts. In Vietnam, the development plans (SEDP) could di-

rectly include climate mitigation and adaptation objectives and avoid the environmental impacts of business-as-usual that undermine, or worse still – reverse hard won economic and development gains.

Coherent and effective climate policies further require concerted cross-sectoral action with systematic exchange of information about the planning and implementation of climate change, green growth and development policies. Vietnam’s centralised governance architecture offers unique opportunities for climate proofing development strategies. Supporting decision makers across sectors with a clear picture of short-term and long-term opportunities of low-emissions alternatives and climate risks can inform climate proofing investments. Climate considerations can then be integrated directly where plans are made and approved in all sectors. The development and enforcement of climate standards resulting from Environmental Impact Assessments in all sectors could have an immediate effect on steering development away from business-as-usual and avoid stranded or vulnerable assets. Standards and regulations for all investors, including the private sector, are necessary steps in aligning economic development with 1.5 °C ambitions. While an overabundance of ill-coordinated standards can inhibit good urban development (The World Bank 2015b), harmonised standards, award schemes and labels can open up interesting product niches and new markets. Asian and international energy efficient awards, city networks, innovative architecture, mobility and public space design can boost a local economy whilst ensuring socio-environmental well-being.

5.2 Conclusion

The growing recognition of the importance of the nexus of low-carbon development, enhanced adaptive capacity and urban development provides substantial grounds for enhancing climate action in Vietnam, but it requires some strategic course-setting.

The central government could achieve and further increase its Paris pledge by increasing the implementation of existing plans through stronger accountability, clearer mandates and greater cross-institutional coordination. Platforms for horizontal exchange—which can help link cities, supporters and scientists—are a critically important tool for sharing knowledge, data and best practices. Through these and other entry points, Vietnam can leverage its strong climate policy foundation to become a leader in multi-level, multi-sectoral climate governance and secure a safe future for all Vietnamese citizens.

List of interviews	SUB-NATIONAL	NATIONAL
PUBLIC SECTOR	<p>Centre for Environmental Monitoring, CCCO (DONRE), Peoples Committee and DOC of Can Tho City;</p> <p>Danang Institute Socio-Economic Development;</p> <p>Department of Planning and Investment of Quang Nam Province.</p>	<p>Academy of Managers for Construction and Cities (of MOC);</p> <p>Central Institute for Economic Management (of MPI);</p> <p>Ministry of Infrastructure and Planning;</p> <p>Vietnam Institute of Meteorology, Hydrology and Climate Change (of MONRE).</p>
CIVIL SOCIETY		<p>Climate Change Working Group;</p> <p>GreenID;</p> <p>ISET-Vietnam;</p> <p>Friedrich Ebert Stiftung;</p> <p>Rosa Luxemburg Stiftung South-east Asia.</p>
DEVELOPMENT PARTNERS		<p>Delegation of the European Union to Vietnam;</p> <p>GIZ;</p> <p>German Embassy;</p> <p>Institute of Research for Development;</p> <p>Japan International Cooperation Agency;</p> <p>UNDP;</p> <p>UN-Habitat Vietnam.</p>

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The Socialist Republic of Vietnam is particularly vulnerable to climate change impacts and faces new challenges as it continues its development journey. The rapid growth of the country's economy, population and cities is resource intensive and is leading to increased energy demand and greenhouse gas emissions. To respond to climate change risks and steer the country towards green growth, the Vietnamese central government has designed a comprehensive set of climate change policies. Bridging national plans and sub-national climate action will be essential in sustaining the country's development gains and accelerating its transition to a low-emission future.

How can Vietnam's climate policy framework enable transformative climate action? How can stronger vertical and horizontal coordination bridge policy and practice?

This report reviews Vietnam's climate change policies and actions through a multi-level governance lens. It is part of a series of four country studies and one synthesis report that explores how multi-level climate governance enables local climate action in Kenya, Philippines, South Africa and Vietnam. The studies are based on the four-year V-LED project – Vertical Integration and Learning for Low-Emission Development – funded by the German Ministry for the Environment (BMU) as part of its International Climate Change Initiative (IKI).

