



Supporting Climate Resilient Agriculture in the Mekong Delta

Richard Rastall – SNV Viet Nam Agrifood Sector Leader

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About SNV

SNV is a mission-driven **global development partner**. We contribute to the **Sustainable Development Goals (SDGs)** with a central focus on transforming **agri-food, energy, & water** systems to enable sustainable & more equitable lives for all.

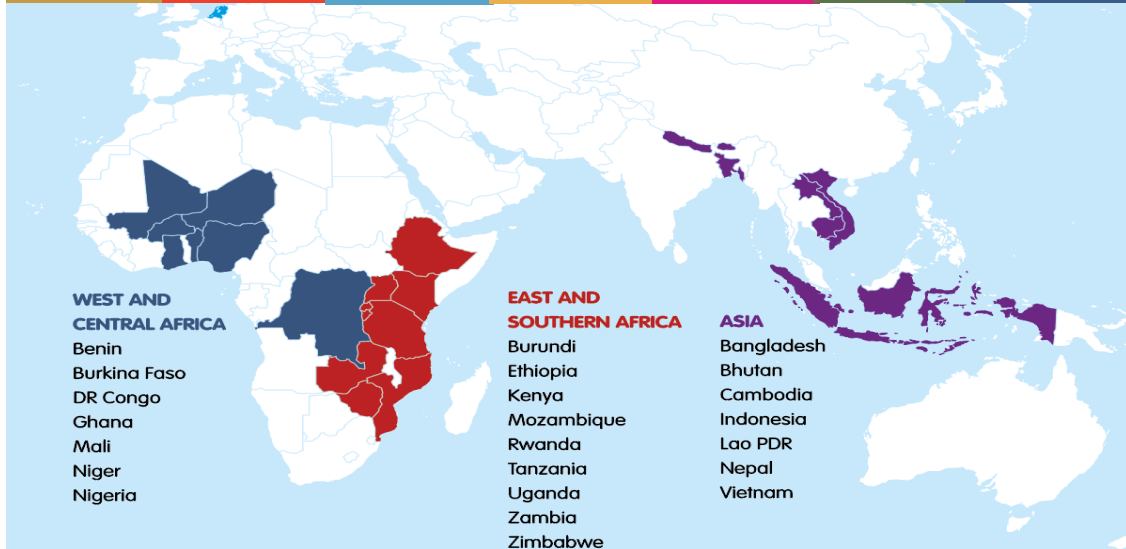
We were founded in

1965

We focus on



We promote **market-based approaches** that **strengthen capacities & catalyse partnerships** that transform the agri-food, energy, & water systems that enable sustainable & more equitable lives for all.



Promoting Adaptation Solutions in the Mekong Delta



Key Climate Adaptation Solutions for the Mekong Delta supported by SNV:

■ Agrifood Systems & Agriculture Sector:

- ✓ Climate Resilient & Low Carbon Rice
- ✓ Flood-based Agriculture
- ✓ Integrated Mangrove-Shrimp Systems

■ Water Sector:

- ✓ Equitable Water Resource Management
- ✓ Alternative Water Supply in Climate Affected Areas
- ✓ Climate Resilient Cities & Sustainable Drainage

Engaging & Incentivising Agribusinesses on Climate Action



Innovative Mechanisms:

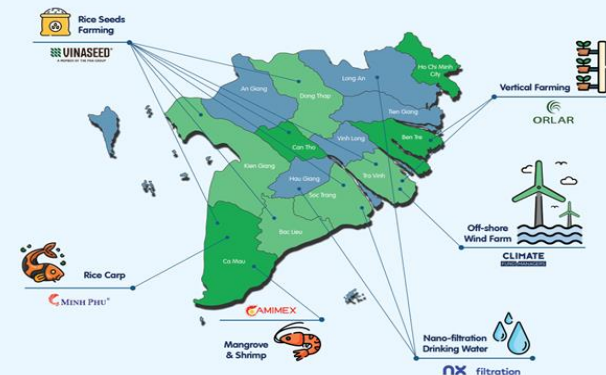
- **Blended Finance & Co-investing with the Private Sector:**
 - ✓ The Dutch Fund for Climate & Development (DFCD)
 - ✓ Viet Nam Nature-based Solutions for Adaptation in Agriculture through Private Sector Transformation (VN-ADAPT)
- **Pull Mechanism:**
 - ✓ Transforming Rice Value Chains for Climate Resilient & Sustainable Development in the Mekong Delta (TRVC)

The Dutch Fund for Climate & Development (DFCD)

- Phase I (2019-23)
- Fund Size: €160m
- Managed by FMO (Dutch Development Bank) (Land Use investment facility) in partnership with Climate Fund Managers (Climate Investor 2 facility – water), WWF & SNV (Origination Facility)
- Target 65% Climate Change Adaptation Investments
- Landscape Approach
- Two stage, blended, investment process
- ‘Originate’ (source - due diligence – structure - develop & de-risk) bankable investments with grant & technical assistance support
- Grant amount € 100,000 – 350,000
- TA support amount € 50,000 – 170,000
- Graduated investments eligible for direct investment of €5–20m
- Phase II (2023-27) to raise the bar! Increased focus on adaptation, gender equality & social inclusion, biodiversity

MEKONG DELTA PROJECTS & DEALS

www.thedfcd.com



No.	Projects & Deals Names	Description	Agencies	Status	Location	Links to SDGs
1	CFM Tra Vinh	Off-shore wind farm	CFM	On-going	Tra Vinh	
2	Orlar	Vertical Farming	DFCD	On-going	Ho Chi Minh City, Tra Vinh	
3	Vinaseeds	Climate-Resilient Rice	DFCD	On-going	Can Tho, Kien Giang, Ca Mau, Bac Lieu, Soc Trang, Tra Vinh, Dong Thap	
4	Minh Phu	Rice Carp	DFCD	On-going	Ca Mau	
5	NX Filtration	Drinking Water	DFCD	Structuring	Soc Trang, Long An, Hau Giang	
6	Camimex	Mangrove & Shrimp	DFCD	Structuring	Ca Mau	



ORIGINATION FACILITY

LOCATION: Vietnam, Mekong Delta

VINASEED

Climate resilient rice seeds

STAGE

✓ Development Stage

AMOUNT

- ✓ Development stage: €200,000 (grant)
- ✓ Investment stage (expected): Debt investment of €10 million




DESCRIPTION

Business case and Financials

Climate change affects, and will increasingly affect crop yields through increased exposure to high temperatures, droughts and saline intrusion. This has serious implications for food security and local livelihoods. There is a critical need for investment and uptake of improved crop varieties which both increase yields, while also being more tolerant to the impacts of climate change. Vinaseed will invest in the development of more climate resilient rice seeds for smallholder farmers in the Mekong Delta.

In the origination phase, SNV supports Vinaseed de-risk the climate project through co-investments in R&D equipment & infrastructure and climate resilient rice seed field trials, TA relating to climate risks in the rice sector, improving the company's environmental & social management systems and gender equality assessments as well as structuring the investment proposal to support Vinaseed roll out the production, marketing and distribution of the new climate resilient varieties.

IMPACTS

	Volume of private finance mobilized	EUR 5 million
	Number of individuals benefitting	6,500,000 persons
	Sustainable management of farm and forest lands	1,800,000 ha

DFCD RELEVANCE

CLIMATE RELEVANCE	
Climate adaptation (RioMarker 2)	✓
Climate mitigation (RioMarker 2)	
INVESTMENT THEME	
Climate-smart agriculture	✓
Forestry	
Water	
General environmental protection	
GEOGRAPHY	
Least-developed country	
MoFA focus country	
Target landscape	✓



STAGE

✓ Development Stage

AMOUNT

- ✓ Development stage: EUR 200,000 (grant); EUR 200,000 (private)
- ✓ Investment stage (expected): Debt investment of EUR 20 million

DESCRIPTION

Camimex is Vietnam's leading Mangrove Shrimp export company. Camimex is seeking the DFCD's support to scale up their mangrove shrimp operations by 6,000 tons of shrimp per year and bring over 16,500ha in Ca Mau under certified organic mangrove shrimp production standards (50% mangrove cover).




- Origination Phase (€400,000):
 - Training & certification of 500 smallholder shrimp farmers
 - Restoration of 10ha
 - Pilot test a household credit linkage model, so that the 500 households can purchase inputs at the beginning of the growing period;
 - Extending the hatcheries so the smallholder farmers are able to purchase improved broodstock;
 - Establishing the ICS (internal control system) to the 500 households. The ICS is the process of coordinating and managing the certifications.
 - Various assessments: E&S safeguards, GESI, Carbon assessment
- Investment Stage (€20m)
 - Additional 10,000ha under sustainable organic certified production
 - Investment to upgraded shrimp processing factory to handle the increased shrimp processing tonnage;
 - Working capital needed to purchase materials from the smallholder farmers and to get cash back from buyers
 - Investment amount is expected to be about €20m, with Camimex contributing €10m.

DFCD RELEVANCE

CLIMATE RELEVANCE	
Climate adaptation (RioMarker 2)	✓
Climate mitigation (RioMarker 2)	
INVESTMENT THEME	
Climate-smart agriculture	✓
Forestry	✓
Water	✓
General environmental protection	✓
GEOGRAPHY	
Least-developed country	
MoFA focus country	
Target landscape	✓



STAGE	✓ Development Stage
AMOUNT	✓ Development stage: EUR 150K (grant) ✓ Investment stage (expected): Debt investment of EUR 10 million
DESCRIPTION	<p>Mekong Capital is an existing FMO client seeking to launch their seventh fund called the Mekong Earth Restoration Fund (MERF). The MERF will invest in climate smart and regenerative agriculture and sustainable forestry investment projects in the Lower Mekong region.</p> <p>SNV provides grants and TA to support the development of this brand new €150m fund in terms of designing the fund structure, ESG impact monitoring systems, and environmental & social management systems and capacitating staff to implement the system effectively, developing suitable pipeline for the fund, and helping Mekong Capital to prepare an investment proposal for FMO as well as bringing in other partners and investors.</p>

IMPACTS		
	Volume of private finance mobilized	TBD
	Number of individuals benefitting;;	TBD (address malnutrition)
	Number of hectares of agriculture under sustainable management	TBD

DFCD RELEVANCE

CLIMATE RELEVANCE	
Climate adaptation (RioMarker 2)	✓
Climate mitigation (RioMarker 2)	✓
INVESTMENT THEME	
Climate-smart agriculture (animal husbandry)	✓
Forestry	✓
Water	
General environmental protection	
GEOGRAPHY	
Least-developed country	
MoFA focus country	
Target landscape	✓



On behalf of:



of the Federal Republic of Germany



Viet Nam Nature-based Solutions for Adaptation in Agriculture through Private Sector Transformation (VN-ADAPT)



Project Components

1. Developing the evidence-base for consensus-building on the adoption of NbS/EbA in key agricultural landscapes and value chains.
2. Strengthening the legal framework for integrating NbS/EbA in planning and the conservation of biodiversity in production landscapes.
3. Leveraging private sector innovation and investment for NbS/EbA in agriculture (Accelerator; 10-12 private sector partnerships; origination for scaling up).
4. Communications, Knowledge Management and M&E

Objectives

VN-ADAPT supports the implementation of Viet Nam's adaptation targets in its NDC in the area of NbS & EbA in the agriculture sector. It focuses on strengthening the legal framework for integrating climate, biodiversity & NbS in planning & incentives for scaling NbS in two key agricultural production landscapes.

Key facts



Duration

05/2022 –
04/2028



Budget

EUR 15m



Location

Mekong River
Delta & Central
Highlands



Beneficiaries

2 Ministries,
8 Provinces,
Companies,
VNGOs,
Smallholder
Farmers



Flagship Project: Transforming the Rice Value Chain for Climate Resilient and Sustainable Development in the Mekong Delta (TRVC)



Donor: The Australian Department of Foreign Affairs and Trade (DFAT)



Duration: 2022 – 2027



Total budget: AUD 15m



Location: 03 provinces in the Mekong Delta: An Giang, Kien Giang & Dong Thap

Using Pay-for-Results (PFRs) mechanism, TRVC project incentivizes & attracts the participation of private enterprises in the Rice Value Chain for spurring innovative technologies to reduce GHG emissions in rice production whilst raising the quality of rice, delivering improved yields & higher economic outcomes for smallholder farmers (SHFs) as well as a range of other environmental (including reduced water & agrochemical use) & social co-benefits such as gender responsive & socially inclusive rice value-chain development.

