

KEY FINDINGS OF PREVIOUS CAPE IN THE URBAN AND WSS SECTOR

The following are some of the excerpts from the previous CAPE Viet Nam (March 2002), which are worth noting for the SAPE, as similar points have been observed and raised under the recently evaluated Loan-1514 VIE: Second Provincial Towns Water Supply and Sanitation project PPER. However, the previous SAPE had some confined findings, as all projects were under implementation at the time, and impact assessment was not conducted.

- (i) Major delays during the implementation: Achievement of development objectives are generally satisfactory, but Projects suffer from substantial delays – which are (a) delayed loan signing, (b) delay in loan effectiveness and (c) delay in contract awards and disbursements.
- (ii) The delays in contract signing or in loan effectivity were often results of bureaucratic procedures and the long consultation-and-consensus process within the Government machinery.
- (iii) The setting up of PMUs at both central and provincial levels was subject to delays in getting necessary staff to fill the required positions. There were inherent difficulties in staffing the provincial PMUs with qualified people, as central level staff were not offered any incentives to relocate while local staff often lacked project management capability. Further changes in staff compounded the problem.
- (iv) Disruption from staff changes did not apply only to the Vietnamese: there were also staff changes in ADB, particularly around 1995.
- (v) Cumbersome procedures for review and approval of contract awards were also major constraints, particularly when numerous contract packages were involved. In a number of instances, the successful bid packages were not awarded, due to unrealistically low prices quoted by the contractor as well as the contractor's past poor performance.
- (vi) The cumbersome procedures for payments for completed works also plagued ADB projects. Payment certificates had to be endorsed by different committees in provinces, and the certification of completed works by the PMUs and the highly qualified implementing consultants (domestic and international) engaged for the purpose was not recognized. The complicated documentation required for claims often led contractors to avoid making claims for progress payments, and to prefer submitting a single claim upon completion of their jobs.
- (vii) Coordination constraints were most intractable and basic problems affecting the implementation performance of ADB portfolio. ADB appeared to underestimate consistently the impact of such constraints with project activities that crossed established departmental and provincial boundaries of responsibility, and this led to implementation delays. Coordination problems were aggravated by the adoption of different policies by provinces, as in the case of compensation for resettlement.