

Distinguished guests, ladies and gentlemen,

My name is Tim McGrath and I have lived in VN for 16 years. In 2002, I completed my PhD on issues related to the implementation of policy in Vietnam involving institutional change and reform, water management and rural development. Since 2004, I have carried out pilot demonstration activities in many provinces in Vietnam as part of ADB's Water for the Poor – Partnerships for Action initiative. In 2005, I started a pilot demonstration activity in Quang Nam. The PDA had three main objectives.

The first was to introduce relevant government agencies and community representatives in the Vu Gia Thu Bon basin to the principles of integrated water resources management and the importance of coordination among sectors including water allocation, land use and social and environmental considerations.

The second was to provide a forum to consider alternative operation modalities of the proposed hydropower projects to optimize benefits across water sub-sectors.

The third objective was to develop ways and follow-up activities for operationalizing integrated water resources management within the basin.

My short presentation will have two parts. I will briefly explain the process we used to establish the RBO for the basin and I will outline the approach and some key principles we used to carry out activities.

After consultations with provincial leaders and departments, it was clear that for long-term and sustainable solutions to water issues in the Vu Gia-Thu Bon basin, a new water governance and management paradigm was required. This involved a process of change, which challenged conventional water development and management systems. In Quang Nam, these systems were traditional top-down, supply led, technically based and sectoral approaches to water management imposed unsustainably high economic, social and environmental costs.

In consultation with province and district levels, a process was developed that promoted the coordinated development and management of water, land and related resources to maximize economic and social benefits for all communities without compromising eco-systems.

Awareness raising to effect attitude change at provincial, district and commune levels was a first priority. The content of awareness raising focused on the key ideas embodied in the integrated water resources management approach and effective ways to carry out this approach while implementing public administration reforms, such as decentralization and grassroots democracy

In essence, what the RBO should deliver and how it could effectively deliver it. Unless leaders and civil servants at the different levels of government understood these issues and incorporated them into their daily work, then the result of PDA activities would not be sustainable.

The provincial people's committee nominated the Department of Natural Resources and the Environment as the secretariat of the basin organization. However, most capacity in the department was concentrated in land management with low capacity for water management. Initial capacity raising efforts focused on introducing the integrated water resources management approach and its practical application in the department. With support from the consultant team, the department then transferred this knowledge to the RBO's members and commune level. In 2006, under the advice of the Department the provincial people's committee issued a Decision 458 and regulations to establish the RBO. The first meeting of the RBO was on the 3rd March 2006. From memory we have had 8 meetings since then. The most recent was on the 8th January this year. Da Nang participated in this meeting.

This concludes the brief overview of the PDA to develop of RBO for the Vu Gia Thu Bon basin. I would like now to present a few key principles and the approach used during the technical assistance. I would like to emphasize that what we were trying to do was develop a RBO model that was practical and sustainable and suitable for the Vietnamese context.

The consultant team developed a methodology to achieve two key objectives:

The first was to support the province in the development of institutional arrangements to plan, manage and control the Vu Gia basin according to the principles of Integrated Water Resources Management

The second was to support the RBO once it was established to develop a practical process so that the priorities of poor and nonpoor groups are included in strategic planning for the basin.

The team consulted with provincial, district and commune officials to develop a **consensus** on methods to conduct activities. This ensured that activities were practical, and sustainable in local conditions and accorded with ADB requirements. One disadvantage with this method was that it takes time to develop a consensus, as issues need to be presented, discussed and agreed with a range of stakeholders before implementation of activities.

We did not start consultations with a prescribed model, but discussed and examined options used by local leaders to make decisions, and then developed practical ways to improve the effectiveness and efficiency of the decision-making processes. Meetings were conducted to discuss the local water management and planning practices and outline the consultants' perspective on the application of integrated water resources management in the province. From these discussions, a framework for action was developed that reflected the consultants' methodological requirements and officials' acknowledgement that the framework had practical application.

A guiding principle was the use of a demand responsive approach during the development of institutional arrangements for the organization.

Purposely, The RBO model developed for the basin was **simple** and flexible in structure, membership, and roles and responsibilities. Each step in the process to establish and develop the organization was decided upon using consultation and dialogue with key stakeholders. This helped to ensure that the organization was within

the existing capacity of local planners, managers and technicians. Several times during 2006 and 2007, the Provincial People's Committee approved revisions to the RBO's mandate and the roles and responsibilities of its members, which demonstrated the flexibility of the model. For example, the name of the RBO was extended to include the Thu Bon basin and negotiations were carried out with the Department of Forestry Protection for it to join the RBO.

The key is to work with the RBO to develop and stabilize the basic institutional structure before more complex technical and planning issues are placed on the agenda of the organization. It creates the conditions so that the scope of different aspects under the management and control of the organization could be extended as capacity is developed or if there is a local demand to widen the responsibilities of the organization, for example the inclusion of the Thu Bon basin. Initial work focused on the Vu Gia basin only.

To ensure that the process was **practical** and included the priorities of people, issues such as poverty, vulnerability and the relationship between water and the community were discussed with commune and district decision-makers and the community. The approach was to understand how officials and the community went about identifying priorities in water management, the relationship between water and health, and the relationship to poverty reduction using the skills and knowledge developed from their practical experiences; for example, government service, non-government service, PRA methods and grassroots democracy. We wanted their ideas on how they resolve problems and recover from critical problems such as natural disasters and economic shocks. To ensure the **sustainability** of the process, we did not introduce an external development model but couched the process in the Government of Vietnam legal framework.

The issues that are the focus of actions in achieving more effective integrated water resources management approaches are essentially political: they are about how decisions are made and how to influence these decision-making systems. Technical and management issues are important in terms of identifying what needs to be done, but this

alone will not change things. It is essential to reach and influence the decision-making process and, where needed, support and enhance the capabilities of decision-making to improve policy and strategic planning processes.

The national level is important in setting the overall policy, legal and regulatory framework and in defining overall goals and targets. However, in Vietnam, it is the province level that is pivotal in defining whether things really change on the ground. If it is to achieve anything, it is the provincial level that must be the focus of efforts to enhance capabilities and influence decision-making on water management and related issues to have a stronger pro-poor character.

The consultant team decided that the process needed to be long-term in perspective, and flexible and creative to be integrated into existing initiatives. This created tension as, on the one hand, initial discussions need to have clarity of meaning and purpose but, on the other hand, any strategy for developing the process that is too rigid and pre-conceived is likely to be inappropriate for local circumstances and miss opportunities that could not be identified in advance. As a process with these characteristics, it requires strong institutional backing and strategically placed 'champions' that become its main advocates. It also needs strong roots in both water management and poverty reduction approaches. These were available by anchoring the process in the Comprehensive Poverty Reduction and Growth Strategy and through a strong link to the development of the National Water Resources Strategy.

The RBO for the Vu Gia Thu Bon identified the advantages of developing institutional arrangement for integrated water resources management with Da Nang. Without cooperation and planning, infrastructure constructed in Da Nang can have significant impact on the waterways in Quang Nam. There is also the potential for significant spill over of pollution into Quang Nam because of the rapid industrialization in Da Nang. The RBO discussed internally the issue of collaboration with Da Nang, and then held discussions with Da Nang. The RBO presented its roles and responsibilities and the goals and objectives to Da Nang. The RBO explained that it was the

responsibility of Da Nang to be proactive and decide what institutional arrangement was appropriate for them as soon as possible. The RBO identified three key options: Da Dang establish its own RBO for integrated water resources management or Da Nang joins the Quang Nam RBO in some form or Da Dang establishes another model of institutional arrangement for integrated water resources management. If Da Nang decides to join the RBO, this would need to be managed through a step by step process to bring the new member up to speed. Decisions would also need to be made on the specific character of the Da Nang membership, for example, defining what issues to cooperate and what issues cooperation was not necessary. This NARBO training workshop is another important step in the development of the relationship between Da Nang and the RBO.

In conclusion, a basin perspective plan has been developed for the Vu Gia Thu Bon and ADB now has a new initiative to develop RBOs in five countries including the Vu Gia Thu Bon RBO in Vietnam. Mr. Tue has just started this important work. I wish him much success in Vietnam and continue to develop the Vu Gia Thu Bon RBO into a body that can effectively plan and manage issues in the basin according to the principles of integrated water resources management. Thank You.