

TA COMPLETION REPORT

Division: **AWWU**

TA NO./NAME: 2040-VIE: HCMC Environmental Improvement Planning				TA AMOUNT APPROVED: \$600,000	SOURCE: Bank
				REVISED AMOUNT: -	
EXECUTING AGENCY: People's Committee of Ho Chi Minh City, thru Environment Committee (ENCO)				TA AMOUNT UNDISB.: \$7,543	TA AMOUNT UTILIZED: \$592,457
DATE: 24 Jan 97	APPROVAL: 29 Dec 93	SIGNING: 22 July 94	FIELD: 20 Sept 94 to 21 March 96	CLOSING: Original: Sept 95	Actual: March 96

TA DESCRIPTION (Background/Rationale)

1. The Government approved the "Vietnam National Plan for Environment and Sustainable Development" in 1992. Among other priorities for action, the Plan emphasizes the urgent attention required for the preparation and implementation of environmental protection and improvement measures in the major cities in order to improve the quality of life and optimize the economic development. The Plan highlights the existing environmental pollution problems and the resulting deleterious effects on the health of a large proportion of the Vietnamese people. The need for tackling these problems and Plan to deal with the rapid urban and industrial growth in Ho Chi Minh City (HCMC) is urgent, particularly the serious drainage and water pollution problems that pose immediate and serious public health hazards. The Government Plan also calls for use of integrated environmental planning and management, which is in line with the Bank's approach to addressing urban improvement development. The Government recognizes the need for Environmental Improvement Planning to address the emerging environmental degradation of HCMC.

TA OBJECTIVES AND SCOPE

2. The technical assistance (TA) was designed to assist the Government in preparing an integrated environmental improvement program and supporting action plan for improving the environmental conditions in HCMC based on evaluation of completed, ongoing and planned development programs dealing with environmental problems. High priority environmental improvement measures and related projects were to be identified, with details of their mode of implementation and indications of investment potentials as well as financing and cost recovery mechanisms. Analysis of the affordability of each high priority project were to be prepared. The analyses and recommendations were to be integrated into a comprehensive environmental improvement plan that would be acceptable to the HCMC People's Committee. Considering the severity of existing environmental problems and the limited financial resources and institutional capability, the program and action plan were to aim at solving the existing problems and maximizing the benefits of investment and emphasize financial, institutional and operational management.

TA INPUTS EVALUATION

3. The TA's objectives and terms of reference were fully addressed and met. The People's Committee of HCMC, through its Environment Committee (ENCO), was chosen by the Government to be the Executing Agency. A Project Manager was designated to guide the Study's conduct, and several full-time counterpart staff were chosen to help the Study Team. The Deputy Director of Department of Transportation, Communications and Public Works (DTCPW) and members of his staff provided assistance to consultants by arranging visits to key sites and providing valuable information in the operations of the city's existing environmental management agencies. The Vice-Chairman of ENCO gave the TA highest priority, and with his executive team, was quite active in reviewing draft inputs, interim reports, and attending meetings.

4. The TA was adequately supervised by the Bank through Review Missions. The Bank Missions from 23 to 24 February 1995 and from 14 to 16 November 1995 reviewed the progress of the TA and held discussions with the consultants and Government officials. The reviews by the Bank were thorough, addressed the issues raised by the consultants and ENCO, and provided appropriate advice to the consultants.

5. The Government's provision of counterpart support exceeded their commitments. High quality office space and facilities were ready at consultants' mobilization. The Bank TA provided equipment, including a seven-seater microbus, two computers, printer, digitizer, slide projector, video camera, fax machine, portable field equipment, noise and vibration meter, analytical scale and photocopier. These were procured by the consultant in accordance with Bank's Guidelines for Procurement, and used by the consultants for the duration of the Study and thereafter were turned over to ENCO.

TA OUTPUTS EVALUATION

6. The Study provided a good overview of the environmental problems of HCMC. Based on assessment of the existing and projected urban environment problems, evaluation of alternatives for addressing these problems and determination of the most cost effective solutions, the Study recommended environmental improvement measures. Related projects such as solid waste management, hazardous waste management, and stormwater drainage and flood control management were identified, with details of the necessary logistics and administrative support required for each project. The final report was well-received by the Government. ENCO commended the consultants for undertaking a comprehensive assessment of HCMC's environmental problems, including the potentially damaging conditions which can be caused in HCMC through the discharge of wastes in the upper reaches of the Saigon and Dong Nai river areas which are outside the administrative control of HCMC. The consultants' recommendation to manage the water resources of the river basin as a whole rather than according to existing political boundaries was well taken by the Government. Furthermore, the TA study thoroughly assessed short- and long-term environmental implications of the completed, ongoing and planned development programs and projects, thus providing excellent guidance to ENCO in formulating its plans for future environmental management activities.

7. Five HCMC Government staff (including Head, Economic Planning Committee; Head, Finance Department; Vice Chairman, ENCO; Chief Secretary, ENCO and Vice Chief Executive Staff, ENCO) accompanied by a consultant team member met with their counterparts in: (i) Thailand to observe and discuss industrial pollution control in industrial estate and urban wastewater management; and (ii) Australia to discuss sanitary landfill solid waste management practices and learn about cost recovery, management systems and privatization for solid waste management.

TA OVERALL ASSESSMENT/RATING

8. The TA fully accomplished its objectives and should be considered generally successful.

MAJOR LESSON LEARNED

9. The key-planners and decision-makers of the concerned Government agencies gained more experience and familiarity on environmental improvements, particularly solid waste management and industrial pollution, after undergoing external training in Thailand and Australia. This resulted in their positive consideration of the projects proposed for investment. The original consultancy contract did not include a cost provision for this training. Upon Bank's approval of a request from the consultants, the contract contingencies were utilized to cover the cost of the external training which amounted to \$16,674.00. It is recommended that training like this be provided in TAs involving identification of projects for investment so that projects identified will gain the acceptability of the Government for possible implementation.

FOLLOW-UP ACTION AND RECOMMENDATIONS

10. While the objectives of the TA as set out in the TA paper have been achieved, the value of the TA rests on Government action to implement the recommendations proposed by the consultants. The Government has indicated keen interest in implementing the projects identified under the TA and had initiated action to enable the Bank to proceed with processing of PPTA for HCMC Urban Development and Environment Improvement which is currently in the Bank's technical assistance program for 1997. This PPTA is expected to result in a Bank loan, HCMC Environmental Improvement Project estimated at \$50 million, which is currently in the Bank's 1999 loan program for Viet Nam. The Study provides excellent guidance for the Bank's country programming, and the identification and formulation of high priority technical assistance and loan projects for HCMC's environmental improvement. It is recommended that the Bank closely monitor the Government's implementation of the consultants' recommendations and provide further assistance in preparing subprojects for financing by donors, including the Bank.