

Cooperation Fund for the Water Sector: Proposed Pilot Demonstration Activity

Preparation of a Project Component to Pilot-test a New Model for Operation and Management of Irrigation and Drainage Subprojects in the Central Region, Viet Nam

Request Form

Activity Title:	Pilot-test the preparatory process of developing a New Subproject Management Model
Proposer (Name, Div/Dept):	Akmal Siddiq, MKAE and Pieter Smidt, VRM
Request Date:	15 February 2005
Region:	Mekong, Country: Viet Nam
Activity Start Date:	1 May 2005, End Date: 5 June 2005
Cost Estimate:	US\$50,000
Implementing Agency:	Ministry of Agriculture and Rural Development (MARD)
Consultant Identified:	Mr. Ruurd Kuiper (international), Nguyen Quang Trien (domestic)

Short Description: The proposed PDA will help prepare a project component for the Loan (New): Central Region Water Resources Project (CRWRP) which is currently under processing. The activities of the PDA are based on the latest policy initiatives of the Government. Therefore, the same could not be included under the PPTA (TA 4001-VIE) of this project.

A. Background and Rationale

1. In December 2004, the Minister of MARD presented a new plan for irrigation management titled "Innovating and raising efficiency of irrigation works management." The Plan identifies four focus areas:

- completion of infrastructure and modernization of technology
- a shift to a more service-oriented and participatory management
- mechanisms for financing that reduce subsidy levels, and
- effective protection of infrastructure from encroachment.

2. An integral part of this plan is the recently launched strategic framework for Participatory Irrigation Management (PIM). This framework was developed and finalized with support of ADB, DANIDA, International Network for Participatory Irrigation Management and the World Bank in 2004.¹ One of the elements of this framework is a circular that MARD issued on the 20 December 2004, along with guidelines, for Water User Organization development and their role in subproject operation and management (O&M). MARD based this initiative on its work in Nghe An and Thanh Hoa Provinces, under the TA 1960-VIE (1995-97).

3. MARD's plan suggests that local governments (the provinces) should consider other types of organization than the hitherto standard model of a State-owned Irrigation Management Company (IMC) to be the custodian of the major scheme assets and be responsible for the assets' O&M and economic performance. MARD is keen to develop models for beneficiary involvement in O&M of irrigation infrastructure and equitization (privatization) of IMCs. Provincial authorities will look to MARD for guidance in this respect. Anticipating this demand, MARD's plan envisages development and pilot-testing of five new management models: one in each of the following regions: Northern Mountains, Red River Delta, Central Coast, Central

¹ ADB took the lead in this initiative which was facilitated through financial support from the Water Cooperation Fund.

Highlands, Mekong Delta. Selection of pilot provinces/schemes and model development should be ready by 2005 and would be followed by three years of pilot testing.

4. CRWRP design was completed in October 2004, thus preceded the above key development in the sector. Ensuring sustainable O&M of the newly developed infrastructure improvements is one of the key project objectives. Component A2 of CRWRP—Sustainable System Management—will provide support to the region's local governments in reviewing existing scheme management arrangements and deciding and introducing adjustments, where required. IMC performance objectives, development of performance indicators for service delivery and preparation of a supporting resource-based management plan will be focus points. The design of the component envisages a trial of new irrigation O&M model in one of the region's 6 project provinces, Quang Tri.

5. In view of MARD's recently issued plan for improved irrigation O&M, it is now possible to further elaborate the component design and at the same time remove the originally identified risk that the Government would not timely provide the institutional support to make piloting of a new model possible.

B. Objective

6. The objective of the proposed PDA is to firm up and elaborate the design of CRWRP, in particular of Component A2 in order to accommodate the trial of a new subproject O&M model in all 6 project provinces, along the lines suggested by MARD in its plan for a national irrigation management overhaul (December 2004).

C. Scope of Work/Description of Activities

7. The PDA will support MARD in reaching consensus with other principal stakeholders, being provincial authorities and their IMCs, on a program for scheme management innovation. The outline plans will indicate role and responsibilities, resource allocation, budget requirements and financing arrangements. It will become a basis for a partnership between MARD, the provincial authorities, and ADB and form an integral part of the component design.

8. The activities will include meetings with key players in state-management, financing and technical management, as well as with water user groups and communities, field visits and a workshop at the regional level.

D. Institutional Management Arrangements

9. ADB will implement the PDA. MARD's Water Resources Department (WRD) will appoint one of its deputy directors to direct and coordinate the establishment of consensus among key stakeholders and to develop suitable outline work program.

10. An international and a domestic consultant will assist and work in close cooperation with MARD/WRD. They will advise on aspects of the work with a view on applying best practices and help with making relevant international experience available to the consultation process. They will assist in firming up the design of CRWRP Component A2.

E. Expected Results (outputs/outcomes/impacts)

11. The output will be a project component design that is in tune with MARD's recently issued policy statement on irrigation O&M and has the endorsement and support of the provincial governments, and is thus ready for implementation under CRWRP.

F. Measurable Performance Indicators

12. The quality of the outline plan and the formal agreement among MARD, provincial authorities and ADB will be the main indicators. One of the criteria for a good quality plan is that provincial authorities will make available critical resources for the work to be undertaken.

G. Stakeholder Participation

13. The purpose of the PDA is to establish a stakeholder consensus on an outline plan for developing and piloting a new scheme management model. Principal stakeholders are MARD, provincial authorities, IMCs, and beneficiaries.

H. Scope for Replication

14. The successful development and introduction of a new O&M model for irrigation systems under IMCs will contribute to realizing nation-wide reforms for the irrigation sector as outlined in MARD's policy statement.

I. Implementation Schedule

15. Proposed activities are presented below. The total estimated time is 30 days. The terms of reference for both consultants are in Appendix 1.

- (i) Initial consultation with DWR/MARD on: (7 days)
 - clarify the purpose of the CRWRP component to pilot-test new subproject O&M model to ensure that it will be in conformity with MARD's policy statement,
 - identify needs for modifications to the current CRWRP component design to meet MARD and local government requirements, and
 - prepare a draft *outline* component model for presentation to 6 provinces.
- (ii) Consensus among MARD, provincial authorities and ADB on: (15 days)²
 - scope of new subproject O&M model in the central region,
 - best location(s) for trial(s) within the province(s), and
 - principal features of the new O&M model.
- (iii) Finalize draft of component design (4 days)
- (iv) Regional consultation workshop to present plans and component design (1 day)³
- (v) Consultation with MARD to agree on the component design (3 days)

² This will include travel to each of the 6 project provinces for presentation and consultation.

³ A provincial workshop will be organized to clarify and discuss MARD policy directives, CRWRP design proposal and the views of the provincial decision-makers and the water services receivers. The workshop outcomes would be a consensus on what would constitute the "pilot" (including criteria for deciding the principal features of the new management model) and what the main roles and responsibilities of MARD, provincial authorities and CRWRP would be.

J. Cost Estimate

16. The estimated total cost, including remuneration, workshop, international and local travel, reporting, and logistical support, is \$49,875. The details of the estimate are in the Table below.

Estimated Cost for PDA under the VIE (New): Central Region Water Resources Project

Estimated Cost of Services	Unit	Quantity	Rate (\$)	Amount (\$)
Irrigation Management Specialist (Int'l)	day	35	500	17,500
International Travel (1)	trips	0	0	0
Per Diem	day	35	110	3,850
Local airfares	trips	2	200	400
Irrigation Management Specialist (Nat'l)	day	35	75	2,625
Per Diem and allowances	day	20	110	2,200
Local airfares	trips	2	200	400
Transport	Lumsum			2,000
Workshop and meetings	Lumsum			12,000
Office and supplies	Lumsum			1,000
Report preparation	Lumsum			500
Contingency				7,525
TOTAL				50,000

Note: (1) Not required; the expert will already be in the country for another assignment.

Cooperation Fund for the Water Sector: Proposed Pilot Demonstration Activity (PDA)

“Preparation of a Project Component to Pilot-test a New Model for Operation and Management of Irrigation and Drainage Subprojects in the Central Region, Viet Nam”

Terms of Reference for the International Consultant

General:

17. In December 2004, MARD issued a national plan for ‘Innovating and raising efficiency of irrigation work management’. ADB will implement a PDA to firm up and elaborate the design of CRWRP, in particular of Component A2, in order to accommodate the development and trial of a new O&M model, along the lines of MARD’s plan.

18. The PDA will support MARD in reaching consensus with other principal stakeholders, being provincial authorities and their IMCs, on a program for scheme management innovation, suitable for the Central Region. Outline plans will indicate roles and responsibilities, resource allocation, budget requirements and financing arrangements. This will become a basis for a partnership between MARD, the provincial authorities, and ADB and form an integral part of the component design.

19. The PDA activities will include meetings with key players in state-management, financing and technical management of irrigation systems, as well as with water user groups and communities, field visits and a workshop at the regional level.

Specific tasks:

20. The consultant will assist ADB with the above and work in close cooperation with MARD's Water Resources Department (WRD). More specifically, he will:

- 1) Identify needs for modifications to the current CRWRP component design to meet MARD and local government requirements.
- 2) Prepare a draft outline component model for presentation to the six provinces.
- 3) Support a process for reaching consensus among stakeholders on the scope of a new O&M model for the central region, the best location(s) for trial(s) within the province(s), and the principal features of the model.
- 4) Provide advice on aspects of the work with a view on applying best practices and help with making relevant international experience available to the consultation process.
- 5) Submit to ADB a draft design for the project component that is ready for implementation under CRWRP.

Implementation Schedule:

21. The total estimated time for the PDA is 30 days. The starting date will be 19/04/2005. An indicative schedule is as follows:

- (i) Initial consultations with MARD/DWR and with selected Provinces: **(5 days)**
 - clarify the purpose of the CRWRP component to pilot-test a new O&M model to ensure that it will be in conformity with MARD's policy statement,

- identify needs for modifications to the current CRWRP component design to meet MARD and local government requirements
- (ii) Prepare a draft outline trial programme for presentation to 6 provinces (5 days), describing:
 - scope of new subproject O&M model in the central region,
 - best location(s) for trial(s) within the province(s), and
 - principal features of the new O&M model.
- (iii) Consensus among MARD, provincial authorities and ADB on the programme: (10 days)⁴
- (iii) Finalize draft of component design and prepare workshop (6 days)
- (vi) Regional consultation workshop to present plans and component design (1 day)⁵
- (vii) Consultation with MARD to agree on the component design (3 days)

⁴ This will include travel to each of the 6 project provinces for presentation and consultation.

⁵ A provincial workshop will be organized to clarify and discuss MARD policy directives, CRWRP design proposal and the views of the provincial decision-makers and the water services receivers. The workshop outcomes would be a consensus on what would constitute the "pilot" (including criteria for deciding the principal features of the new management model) and what the main roles and responsibilities of MARD, provincial authorities and CRWRP would be.

Cooperation Fund for the Water Sector: Proposed Pilot Demonstration Activity (PDA)

“Preparation of a Project Component to Pilot-test a New Model for Operation and Management of Irrigation and Drainage Subprojects in the Central Region, Viet Nam”

Terms of Reference for the National Consultant

General:

22. In December 2004, MARD issued a national plan for ‘Innovating and raising efficiency of irrigation work management’. ADB will implement a PDA to firm up and elaborate the design of CRWRP, in particular of Component A2, in order to accommodate the development and trial of a new O&M model, along the lines of MARD’s plan.

23. The PDA will support MARD in reaching consensus with other principal stakeholders, being provincial authorities and their IMCs, on a program for scheme management innovation, suitable for the Central Region. Outline plans will indicate roles and responsibilities, resource allocation, budget requirements and financing arrangements. This will become a basis for a partnership between MARD, the provincial authorities, and ADB and form an integral part of the component design.

24. The PDA activities will include meetings with key players in state-management, financing and technical management of irrigation systems, as well as with water user groups and communities, field visits and a workshop at the regional level.

Specific tasks:

25. The national consultant will support the international consultant in carrying out the following tasks:

- 6) Identify needs for modifications to the current CRWRP component design to meet MARD and local government requirements.
- 7) Prepare a draft outline component model for presentation to the six provinces.
- 8) Support a process for reaching consensus among stakeholders on the scope of a new O&M model for the central region, the best location(s) for trial(s) within the province(s), and the principal features of the model.
- 9) Provide advice on aspects of the work with a view on applying best practices and help with making relevant international experience available to the consultation process.
- 10) Submit to ADB a draft design for the project component that is ready for implementation under CRWRP.

In addition to providing his professional advice, the national consultant will help the international consultant in liaising with government agencies and in obtaining relevant documents and data. This will include providing translations and arranging logistics.

Implementation Schedule:

26. The total estimated time for the PDA is 30 days. The starting date will be 19/04/2005. An indicative schedule is as follows:

- (i) Initial consultations with MARD/DWR and with selected Provinces: **(5 days)**

- clarify the purpose of the CRWRP component to pilot-test a new O&M model to ensure that it will be in conformity with MARD's policy statement,
 - identify needs for modifications to the current CRWRP component design to meet MARD and local government requirements
- (iv) Prepare a draft outline trial programme for presentation to 6 provinces (5 days), describing:
- scope of new subproject O&M model in the central region,
 - best location(s) for trial(s) within the province(s), and
 - principal features of the new O&M model.
- (v) Consensus among MARD, provincial authorities and ADB on the programme: (10 days)⁶
- (iii) Finalize draft of component design and prepare workshop (6 days)
- (viii) Regional consultation workshop to present plans and component design (1 day)⁷
- (ix) Consultation with MARD to agree on the component design (3 days)

⁶ This will include travel to each of the 6 project provinces for presentation and consultation.

⁷ A provincial workshop will be organized to clarify and discuss MARD policy directives, CRWRP design proposal and the views of the provincial decision-makers and the water services receivers. The workshop outcomes would be a consensus on what would constitute the "pilot" (including criteria for deciding the principal features of the new management model) and what the main roles and responsibilities of MARD, provincial authorities and CRWRP would be.