



Project Data Sheet

Project 30292-013

Project Name Second Red River Basin Sector Project

Project Number 30292-013

Country / Economy Viet Nam

Project Status Closed

Project Type /
Modality of
Assistance Grant
Loan

Loan 1855-VIE: Second Red River Basin Sector Project

Asian Development Fund US\$ 70.00 million

Source of Funding /
Amount **Loan: Second Red River Basin Sector Project**

Agence Francaise de Developpement US\$ 30.00 million

Grant 3892-VIE: Second Red River Basin Sector Project

Government of Netherlands US\$ 9.52 million

Strategic Agendas Environmentally sustainable growth

Drivers of Change Gender Equity and Mainstreaming
Governance and capacity development
Knowledge solutions

Sector / Subsector **Agriculture, natural resources and rural development** / Water-based
natural resources management

Gender Gender equity

Description The objective of the proposed Project is to improve agricultural performance of poorer communities through sustainable improvements in irrigation, better drainage, watershed protection and flood protection, within a framework of integrated water resource management in the Red River basin. The Project scope has been organized into two parts to address this objective. Part A includes (a) capacity building for the Red River Basin Organization, (b) public awareness and education programs, (c) pilot water licensing systems, (d) water quality monitoring network, and (e) project management support. Part A is expected to receive grant financing from the Government of Netherlands in the amount of approximately \$9.5 million. It will address aspects related to integrated water resource management and associated institution-building. Part B includes (a) investment subprojects for the rehabilitation of irrigation, drainage, and flood protection infrastructure, in conjunction with rural development support activities, (b) project implementation support, and (c) research studies. Part B is expected to be loan financed by ADB with parallel loan cofinancing by the Agence Francaise de Development (AFD) for the rehabilitation of flood protection and for the irrigation and drainage subprojects in the delta. It will address the provision of infrastructure improvements and the necessary agricultural support services at community level to optimize the benefits of the water services.

The incidence of poverty in Viet Nam is about 37 per cent, and 80 percent of the poor are farmers, who are not only dependent upon reliable and timely irrigation and drainage services (especially for rice cultivation), but are also the most vulnerable to the consequences of droughts, floods and poor water quality. Poorer farmers typically live at the end of the water distribution system, and their poverty is closely linked to unreliable and insufficient access to water and drainage services. Rehabilitation of irrigation and drainage infrastructure and improvement of water management is therefore a self-targeting poverty intervention.

Project Rationale and Linkage to Country/Regional Strategy

A new assistance strategy for Viet Nam has been prepared for a second generation of investment projects that focus more on poverty reduction. The new Country Strategy and Program (CSP) has also underlined the importance of improving natural resources management, including water resources and forests. The design of the Project responds to ADB's poverty reduction strategy and to its policy on water. Poverty reduction and other social development dimensions are more actively pursued as part of the new CSP. In Viet Nam, floods, drought, water pollution, and lack of access to irrigation and drainage services are linked to poverty in a vicious cycle. ADB's water policy promotes water resources management investments in important river basins, with a holistic focus on watershed protection, water rights, and management infrastructure. The policy also requires investments to improve water services, such as irrigation, to increase the autonomy and accountability of service providers to meet the needs of the poor. Cost recovery, regulatory controls, and public education should work together in promoting sustainable water use in society. The Project was designed to respond to these policy directions, which are fully shared by the Government.

Impact

To protect and improve production, productivity and income of farmers in the Red River Basin

Project Outcome

Description of Outcome

- (i) To improve agricultural performance of poorer communities through sustainable improvements in irrigation, better drainage, watershed protection and flood protection, within an integrated water resource management framework
- (ii) To promote stakeholder participation in water management, with emphasis on women's participation

Progress Toward Outcome

Project has closed. The Project has not and/or partly achieved many targets of its goal, purpose and outputs:

- The Project reduced impact of water-related natural disasters but failed to establish IWRM.
- 11 of 31 subprojects do not achieve this target.

Implementation Progress

Description of Project Outputs

- (i) Upland irrigation systems and watershed protection improved
- (iii) Flood protection systems strengthened
- (iv) Subproject planning, design, and implementation capacity established and operating at all levels
- (ii) Delta Irrigation and Drainage Systems Improved

Status of Implementation
Progress (Outputs, Activities,
and Issues)

Water Resource Management:

1. Institutional capacity enhanced for basinwide management in the Red River basin:

- " RRBO fully functional and financed by Government
- " Red River basin framework plan approved by December 2003
- " Exchange arrangements established with two other basin organizations

2. Public awareness campaigns conducted on water resource management:

- " Mass media program implemented by 2003
- " Training material prepared and approved by Ministry of Culture
- " Schoolchildren trained in 12 provinces by 2004, and in remaining provinces by 2006

3. Water quality monitoring network established:

- " Water quality information used to plan and implement improved water quality programs

4. Pilot implementation undertaken for water rights licenses and wastewater discharge permits:

- " Legislation established and information systems operational
- " Successful implementation in Cau River basin

5. Project management support: Coordination between parts A and B

Water Service Investment Subprojects:

1. Upland irrigation systems and watershed protection improved:

- " 20 subprojects completed and operational by 2007, covering 12,000 ha of rehabilitated irrigation area and 8,000 ha of reforestation

- " RDS activities undertaken to increase benefits from irrigation and watershed protection

2. Delta irrigation and drainage systems improved:

- " 10 subprojects completed and operational by 2007, covering 80,000 ha of rehabilitated irrigation

- " RDS activities undertaken to increase benefits from irrigation and drainage

3. Flood protection systems strengthened:

- " 10 subprojects completed by 2007, covering a total area of 1.5 million ha

4. Subproject planning, design, and implementation capacity established and operating at all levels:

- " Subprojects prepared and formulated according to guidelines and criteria

- " Subprojects completed within budget and schedule

- " Measures identified for enhanced autonomy and accountability of water service providers

5. Enhanced capacity of implementing agencies and local authorities to target poverty reduction:

- " Field manual prepared by April 2002

- " Central and provincial BME units established and operational by 2002

- " 200 project implementation and management staff trained

- " 400 district-level community organizers trained

Geographical Location

Safeguard Categories

Environment

B

Involuntary Resettlement

Indigenous Peoples

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

| | |
|-------------------------------|--|
| During Project Design | 1. Consultation meetings are being carried out with stakeholders. |
| | 2. Selection of subprojects will be made adopting a consultative approach with stakeholders in selected provinces. |
| | 3. Participating communities will be requested during the social preparation phase to prepare a village-level poverty reduction plan that shows how project activities together with their own initiatives will achieve the objectives of the project. |
| During Project Implementation | A participatory and decentralized approach will be introduced in the project. |

Business Opportunities

| | |
|---------------------|---|
| Consulting Services | <p>The Project will require approximately 1,018 person-months of consulting services, consisting of 366 months of international expertise and 652 months of local expertise. The consultants for Part A will consist of 250 person-months of international expertise and 361 person-months of local expertise in water policy and planning, watershed management, gender and development, training, hydrology, information technology, legal and policy aspects of water licensing, information technology, mass media production, education, communication materials, etc. Under Part A, ADB would recruit the consulting services separately for components (a), (c), and (e), while the recruitment of consulting services for components (b) and (d) is delegated to MARD. Recruitment of consultants for component (e) is complete; and proposals for component (a) were submitted to ADB on 7 April 2003 by the shortlisted firms. Recruitment of the other components is expected to be initiated in late 2003.</p> <p>The consulting services for Part B will consist of 116 months of international expertise and 291 months of domestic expertise in farming systems, agricultural economics, social development, flood protection, institutional development, irrigation, financial management, and human resources development. Advance action for recruitment of consultants was approved by ADB on 5 June 2000. Recruitment of the consultants is underway; technical proposals of shortlisted firms were received by MARD on 24 December 2002.</p> |
|---------------------|---|

The civil works contracts under Part B are small and dispersed and are therefore expected not to be of interest to foreign contractors. Civil works contracts estimated to cost US\$1,000,000 or less will be procured through local competitive bidding procedures among prequalified firms and organizations acceptable to ADB. Any civil works contracts estimated to cost more than US\$1,000,000 equivalent will, however, be procured through international competitive bidding procedures. Equipment to be procured under the Project will consist of water quality monitoring equipment, laboratory equipment, vehicles, computer equipment, software, irrigation and drainage pumps, motors and electrical installations. Equipment packages financed by ADB costing \$500,000 and more will be procured through international competitive bidding (ICB). Packages not exceeding \$500,000 equivalent will be procured through international shopping, and those costing less than \$100,000 through direct purchase. In the case of procurement of irrigation and drainage pumps, motors, and electrical installations for subprojects under Part B, items with similar specifications will be combined into one package for subprojects which are ready for implementation at the same time.

Responsible ADB Officer Ellingson, Dennis

Responsible ADB Department Southeast Asia Department

Responsible ADB Division Viet Nam Resident Mission

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Timetable

| | |
|---------------------|----------------------------|
| Concept Clearance | 08 Mar 1999 |
| Fact Finding | 14 Feb 2000 to 01 Mar 2000 |
| MRM | 25 May 2000 |
| Approval | 14 Jan 2002 |
| Last Review Mission | - |
| PDS Creation Date | 07 Dec 2006 |
| Last PDS Update | 11 Mar 2011 |

Grant 3892-VIE

Financing Plan

Grant Utilization

| Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
|--------------------------------|------|----------------------------|--------|----------------|
| Project Cost | 9.52 | Cumulative Contract Awards | | |
| ADB | 0.00 | - | 0.00 | 0.00 % |
| Counterpart | 0.00 | Cumulative Disbursements | | |
| Cofinancing | 9.52 | - | 0.00 | 0.00 % |

Loan 1855-VIE

Milestones

| Approval | Signing Date | Effectivity Date | Closing | | |
|-------------|--------------|------------------|-------------|-------------|-------------|
| | | | Original | Revised | Actual |
| 13 Nov 2001 | 14 Jan 2002 | 17 May 2002 | 30 Jun 2008 | 30 Jun 2010 | 14 Feb 2011 |

Financing Plan

Loan Utilization

| Total (Amount in US\$ million) | | Date | ADB | Others | Net Percentage |
|--------------------------------|--------|----------------------------|-------|--------|----------------|
| Project Cost | 130.00 | Cumulative Contract Awards | | | |
| ADB | 70.00 | 17 Jun 2022 | 81.98 | 0.00 | 100% |
| Counterpart | 30.00 | Cumulative Disbursements | | | |
| Cofinancing | 30.00 | 17 Jun 2022 | 81.98 | 0.00 | 100% |

Status of Covenants

| Category | Sector | Safeguards | Social | Financial | Economic | Others |
|----------|--------|--------------|--------------|-----------|----------|--------------|
| Rating | - | Satisfactory | Satisfactory | - | - | Satisfactory |

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