



Project Data Sheet

Project 49404-002

Project Name	Water Efficiency Improvement in Drought-Affected Provinces Project
Project Number	49404-002
Country / Economy	Viet Nam
Project Status	Active
Project Type / Modality of Assistance	Grant Loan

Grant 0630-VIE: Water Efficiency Improvement in Drought Affected Provinces

ATF - Netherlands TA Grant	US\$ 750,000.00
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Grant 0631-VIE: Water Efficiency Improvement in Drought Affected Provinces

Source of Funding / Amount	Climate Change Fund	US\$ 300,000.00
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Loan 3745-VIE: Water Efficiency Improvement in Drought Affected Provinces

Concessional ordinary capital resources lending	US\$ 100.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Agriculture, natural resources and rural development / Irrigation
Gender	Effective gender mainstreaming

Description	<p>The Water Efficiency Improvement in Drought-Affected Provinces Project integrates climate-resilient agricultural practices through a transformational shift in irrigation modernization, including (i) strengthening irrigation management to improve climate resilience, (ii) modernizing irrigation infrastructure, and (iii) supporting efficient on-farm water management practices. Specifically, the project will modernize eight irrigation systems in five drought-affected provinces: Binh Thuan, Dak Lak, Dak Nong, Khanh Hoa, and Ninh Thuan. The modernized systems will enhance the provinces' ability to manage climate variability, improve the water productivity of agriculture, and increase incomes by supporting farmers in growing high-value crops (HVCs) such as coffee, peppers, grapes, apples, dragon fruits, and mangoes. The project was predicated by the El Niño Southern Oscillation (ENSO)-induced drought in 2014-2016, which affected Viet Nam's south-central coastal and central highlands regions.</p>
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Project Rationale and Linkage to Country/Regional Strategy	The project aligns with key government policies, strategies, and laws, including (i) the government's agriculture restructuring plan, which focuses on sustained growth, improved efficiency, and competitiveness of the sector through increased productivity, quality, and value addition; (ii) the Ministry of Agriculture and Rural Development (MARD) strategy that calls for adopting advanced and water-saving irrigation techniques and technologies on 500,000 ha of upland crops by 2020 to improve productivity, decrease irrigation water use, and increase household incomes; (iii) the national climate change strategy, which aims to guarantee food security and water resource security; and (iv) the Law on Hydraulic Works (2017), which allows for water pricing for irrigation services.
Impact	Climate resilience and water productivity in agriculture improved.

Project Outcome

Description of Outcome	Climate-resilient and modernized irrigation systems in five provinces established
Progress Toward Outcome	To be achieved.

Implementation Progress

Description of Project Outputs	Irrigation management services strengthened Modern irrigation infrastructure developed Efficient on-farm water management practices adopted
Status of Implementation Progress (Outputs, Activities, and Issues)	To be achieved.
Geographical Location	Dak Nong, Tinh Binh Thuan, Tinh Dak Lak, Tinh Khanh Hoa, Tinh Ninh Thuan

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	The government prepared initial environmental examinations for each of the eight irrigation modernization subprojects, which were disclosed on the ADB website in May 2018. A climate risk and vulnerability assessment was prepared based on climate projections downscaled to the project area.
Involuntary Resettlement	The government and ADB have agreed on a combined resettlement and ethnic minority development plan (REMDP) following ADB's Safeguard Policy Statement for subprojects entailing involuntary resettlement impacts as identified based on detailed engineering design. The REMDP was disclosed on the ADB website in May 2018 and will be implemented by the government prior to commencement of any civil works. The government will finance land acquisition, compensation, allowances, operation and administration, surveys, monitoring, and reporting.

Indigenous Peoples	Impacts on ethnic minorities are positive, because the subprojects aim to improve overall economic and social conditions of the command area population. The project will not cause physical displacement from traditional or customary lands or negatively impact the identity, culture, or customary livelihood system of ethnic minorities. The government prepared five combined REMDPs for the five project provinces, which were disclosed on the ADB website in May 2018. The REMDPs will be used to ensure the inclusion of ethnic minorities and their access to project benefits. The REMDPs also include (i) mitigation measures to avoid land acquisition and minimize negative impacts on ethnic minorities, and (ii) a grievance redress mechanism.
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Stakeholder Communication, Participation, and Consultation

During Project Design	Central and Provincial government agencies will participate in scoping during project design while farmers and other local community groups will participate in consultation to identify their needs, opportunities, constraints. Private operators of irrigation services will be consulted on the opportunities to participate through public-private partnerships. Consultations will ensure full participation to maximized benefits and mitigate negative impacts (such as of resettlement, etc.).
During Project Implementation	The project will contribute to empowering farmers and other beneficiaries engaging in agriculture practices and enterprises in the project area. A communication, participation and consultation strategy will be implemented with special emphasis on strategies to engage poor, vulnerable and excluded groups.

Business Opportunities

Consulting Services	<p>The Institute of Water Resources Planning (IWRP) will be directly recruited to develop the water resource assessment (surface and groundwater) and water allocation framework and the Center for Water Resources Software (CWRS) will be directly recruited by the provincial government under government procedure, for the development of software and guidelines for subproject management to ensure compatibility with the current nationwide system.</p> <p>The climate change fund will be providing support to help recruit a technical advisory firm, using consultant qualification selection method to prepare a water charging framework, institutional arrangement and protocols to engage service providers to operate modernized irrigation systems.</p> <p>Using a fixed based selection method, an international consulting firm will be recruited to do the crop monitoring online platform development working closely with IWRP and telecommunication companies.</p>
Procurement	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). Procurement of works shall include construction of modern irrigation systems which are characterized by a combination of canal and pump-pipe pressure systems, together with control and flow measurement equipment, some with automation and remote SCADA monitoring and operation.

Responsible ADB Officer Vu, Chau N.

Responsible ADB Department Southeast Asia Department

Responsible ADB Division Viet Nam Resident Mission (VRM)

Executing Agencies *Binh Thuan Provincial People's Committee
Dak Lak Provincial People's Committee
Dak Nong Provincial People's Committee
Khanh Hoa Provincial People's Committee
Ministry of Agriculture and Rural Development
Ninh Thuan Provincial People's Committee*

Timetable

Concept Clearance	01 Aug 2016
Fact Finding	15 Jul 2017 to 31 Jul 2017
MRM	29 Jun 2018
Approval	26 Nov 2018
Last Review Mission	-
Last PDS Update	20 Jan 2022

Grant 0630-VIE

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Nov 2018	28 Dec 2018	26 Jun 2019	30 Jun 2026	-	-

Financing Plan

Grant Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	0.75	Cumulative Contract Awards			
ADB	0.00	24 Oct 2023	0.00	0.68	90%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.75	24 Oct 2023	0.00	0.68	90%

Status of Covenants

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

Grant 0631-VIE

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Nov 2018	28 Dec 2018	26 Jun 2019	30 Jun 2026	-	-

Financing Plan

Grant Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	0.30	Cumulative Contract Awards			

ADB	0.30	24 Oct 2023	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	24 Oct 2023	0.00	0.00	0%

Status of Covenants

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

Loan 3745-VIE

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Nov 2018	28 Dec 2018	26 Jun 2019	30 Jun 2026	-	-

Financing Plan

Loan Utilization

	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	123.21	Cumulative Contract Awards			
ADB	100.00	24 Oct 2023	34.16	0.00	34%
Counterpart	23.21	Cumulative Disbursements			
Cofinancing	0.00	24 Oct 2023	6.69	0.00	7%

Status of Covenants

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

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