## Viet Nam: Quality and Safety Enhancement of Agriculture Products and Biogas Development Project

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<tr>
<th>Project Name</th>
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<tr>
<td>Project Number</td>
<td>39421-013</td>
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<td>Country</td>
<td>Viet Nam</td>
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<td>Project Status</td>
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<td>Project Type / Modality of Assistance</td>
<td>Loan Technical Assistance</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>Loan 2513-VIE: Quality and Safety Enhancement of Agriculture Products and Biogas Development Project</td>
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<td>Strategic Agenda</td>
<td>Environmentally sustainable growth</td>
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<td>Drivers of Change</td>
<td>Governance and capacity development</td>
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<td>Sector / Subsector</td>
<td>Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development</td>
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<td>Gender Equity and Mainstreaming</td>
<td>Effective gender mainstreaming</td>
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<tr>
<td>Description</td>
<td>The Project will (i) create effective regulatory institutions for state management of agro-product safety and quality systems to meet domestic and export requirements; (ii) accelerate the development of agroproduction, processing, and marketing to ensure the safety and quality of vegetable, fruit, and tea products for domestic consumption and export; and (iii) improve the quality of physical environment for quality and safety by reducing environmental pollution and greenhouse gases from livestock waste in agricultural areas through increased utilization of biogas technology. It will have four main components: (i) a regulatory framework and fully operational quality and safety system for agro-products; (ii) infrastructure and facilities for safe, quality agro-products; (iii) improved safety and reduced health hazards from livestock waste through support for development of biogas plants by small livestock farmers; and (iv) project management support for effective and timely implementation of project interventions. The Project will cover 16 provinces in Viet Nam that have significant fruit, vegetable, and tea production.</td>
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<td>Project Rationale and Linkage to Country/Regional Strategy</td>
<td>Consumers in Viet Nam’s major population centers require that certain quality and safety standards be met in the fruit, vegetable and tea products they consume, but poor regulatory management, unsafe production environments, and excessive levels of agro-chemicals and fertilizers, including application of pesticides by Viet Nam’s farmers, are major hindrances to achieving the required standards. This will affect the longterm growth prospects of these crops in a competitive production and trading regime. Viet Nam has one of the highest input use rates among countries in the Asia and Pacific region. In the absence of management and regulations, these high input levels are affecting product quality and safety. In addition, unsafe disposal of livestock waste in densely populated areas has contaminated soils and the water used for agricultural products. Consequently, improved livestock waste disposal and promotion of technologies for effective waste treatment and management is a prerequisite to enhancement of the quality and safety of agro-products. These issues are not being effectively addressed due to the lack of a domestic “safe food” supply framework and/or strategy, and will have continuing negative impacts on the environment and public health if not addressed. Increasing integration of Viet Nam’s agricultural production, processing and marketing with international markets makes it critical that improvements in product quality and food safety be made, if Viet Nam is to maintain and/or increase its international market share. Improving global competitiveness will require strengthening of the capacity of concerned institutions at all levels of government to address the following issues, all of which constrain further growth in the agriculture sector: (i) numerous small and fragmented agricultural production units, (ii) low product quality and safety, (iii) inefficient marketing, and (iv) weak bargaining power. These cause inefficiencies in product marketing and input procurement, and increase the costs to the Government and the private sector of providing agricultural support services. The Government acknowledges the urgent need to improve agricultural production and marketing quality and food safety to a level comparable with neighboring countries and trade competitors. The Government is gradually introducing measures to improve the performance of state-owned enterprises under the State-Owned Enterprise Law, but constrained access to financial and other resources remains a serious obstacle to the promotion of viable private business opportunities in Viet Nam. The proposed Project is consistent with the ideals of the Government’s strategies and policies, including the Government’s Socio-Economic Development Plan (SEDP) 2008-2010, which seeks to achieve middleincome status for Viet Nam by 2010 through improvements in the quality and safety of agricultural and processed products that meet domestic and international requirements.</td>
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<tr>
<td>Impact</td>
<td>The expected impact is sustainable and equitable growth of the agriculture sector through increased livelihood opportunities and improved human health.</td>
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<td>Project Outcome</td>
<td>The expected outcome is quality and safety improvements in Viet Nam’s agricultural outputs, which thereby meet domestic and international requirements.</td>
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The Project was able to establish a comprehensive regulatory framework that was a high priority under the action plan for food safety, 2008-2012. Regulatory framework for tea, fruits and vegetables are harmonized and institutional responsibilities for certification, monitoring, inspection and enforcement have been clarified. Water and soil testing capacity of the 6 laboratories have been strengthened. The project provinces are effectively implementing the CFSMS and provincial food safety income to ensure benefits are realized.

A total of 178,769 ha of SAZ schemes have been identified for safe agricultural production for tea, fruit and vegetables for the period 2010-2020 in the 16 project provinces. Significant efforts need to be made to infrastructure investment support is needed to suit the crop production requirements. The Safe Agricultural Zone (SAZ) planning schemes identified under the Project cover a total area of 182,510 hectares (ha) across all 16 participating provinces, accounting for 80.4% of the total agriculture area for tea, fruits and vegetables being targeted by the Project.

Based on the approved SAZ planning schemes, 95 production locations under the schemes have been selected for investment in infrastructure and equipment for safe agricultural production. Completed and ongoing investments cover a combined area of 3,100 hectares. Infrastructure and equipment upgrades include among others; market access roads, access to electricity and safe water, waste disposal and packing/primary processing facilities, and suitable marketing infrastructure.

Biogas development support under the Project has generated important lessons learned for the biogas development activities funded by ADB. These include the compatibility of the size of the digester to the heads of pigs/cattle in stock, so that all the animal manure can be treated by the biogas digester. Close monitoring of livestock population fluctuations will be needed to mitigate the risks associated with potential unmanaged surplus biogas (small size digester compared to the numbers of heads), which could harm the environment. The utilization of bio-slurry is influenced by the conditions of each household’s set up; where households having agriculturally productive plots adjacent to their houses are able to more effectively utilize bio-slurry as organic fertilizer. For households who do not have large plots near their house, constructing additional facilities for bio-slurry storage (or compost pits) attached to the digester is necessary to avoid overflow of bio-slurry in the surrounding areas and/or discharging to the water body.

A project completion report is being prepared for circulation in 2018.

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**Implementation Progress**

**Description of Project Outputs**

1. Improved regulatory framework and fully operational quality and safety system for agroproducts.
2. Infrastructure and facilities for quality and safety of agroproducts.
3. Biogas development for clean energy, improved agroproduct safety and reduced health hazards from livestock wastes.
4. Effective project management support established at central and provincial levels.

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

A total of 95 SAZ models have been identified based on the soil and water quality testing to suit the crop production requirements. Civil works contracts to carry out these investments are at various stages of implementation.

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Certification services carried out by the Project for producers of vegetable, fruits and tea have been provided to 26,570 household-based producers. 307,101 participants have benefited from training on GAP food safety system management and certification. 36.2% of participants trained are women.

These expected outputs accounts for approximately 19% of the total area of tea and fruit production in need of new varieties (78,959 ha). Based on the updated indicator for this target (i.e., 14,000 ha), the activity is assessed to have been completed.

To effectively monitor, analyze and certify agriculture products, the Project upgraded key regional laboratories with new laboratory equipment. Six laboratories were re-equipped and included those under the Department of Crop Production (1), Department of Plant Protection (1), and the National Agro-Forestry-Fisheries Quality Assurance Department (NAFQAD) (3); which are spread across Viet Nam’s northern, central and southern regions. 963 staff in relevant agencies under MARD and DARDs departments are trained in food safety and quality certification system; 35.5% of whom are women.

Review on 24 existing decrees, policies, and strategies for ensuring safe and quality agro-products in Vietnam is completed.

Fourteen (14) regulatory documents on food safety (including technical regulations and standards) have been issued.

On June 2010, MARD issued a decision to establish a steering committee to apply VietGAP in producing vegetable, tea, and fruit under the chairmanship of Vice Minister Bui Ba Bong.

Units for food safety control have been established in NAFQAD, DCF, and in each DARD of the 16 participating provinces. Based on the guideline on pilot implementation of the crop food safety management system (CFSMS) developed by IPMU, 14 provinces are monitoring and reporting on food safety from their respective crop production areas through a provincial food safety index (PFSI) established under the Project.

23 certification agencies have been established and those agencies have been accredited for safe vegetables, fruits, and tea products have been issued.

Pilot demonstration of 40 medium and 10 large biogas digesters is included in the ADB financed Low Carbon Agriculture Support Project (LCASP). A market study to assess the demand for medium- and large-scale biogas plants in the five provinces that overlap with Loan 2968-VIE: Low Carbon Agriculture Support Project has been conducted under Loan 2968. To avoid overlapping, the Mission agreed with the CPMU to remove this indicator from the Project targets.

Completed. To date, 54,993 biogas-users that constructed biogas units, have received training from the project.

30,461 households have been technically accepted and received financial assistance. The BPMU and PPMUs have conducted 2,178 various training courses for 63,336 participants, among who include managers, technicians, builders, and biogas works users. Female participants accounted for 30.9%. Household were trained on safe construction, operation, and maintenance of biogas digesters.

During implementation, the Project realized that the locations of SAZ models for crops are not necessarily compatible with where livestock farms are located. Application of bio-slurry to crop production at the identified SAZ models is also not straightforward due to complicated logistic arrangements in safely transporting the bio-slurry and the corresponding costs required. The Project supported the household level biogas digester construction only. A possible linkage between SAZ and medium to large biogas digesters can be assessed under the LCASP. Therefore, the ADB Review Mission agreed to drop this indicator.

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From the Project targets, products generated from SAZ schemes have been issued.

Tea, fruit, and vegetable products have been issued.

These include the compatibility of the size of the digester to the heads of pigs/cattle in stock, so that all the animal manure can be treated by the biogas digester. Close monitoring of livestock population fluctuations will be needed to mitigate the risks associated with potential unmanaged surplus biogas (small size digester compared to the numbers of heads), which could harm the environment. The utilization of bio-slurry is influenced by the conditions of each household’s set up; where households having agriculturally productive plots adjacent to their houses are able to more effectively utilize bio-slurry as organic fertilizer. For households who do not have large plots near their house, constructing additional facilities for biogas storage (or compost pits) attached to the digester is necessary to avoid overflow of bio-slurry in the surrounding areas and/or discharging to the water body.

A project completion report is being prepared for circulation in 2018.

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**Geographical Location**


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**Safeguard Categories**

Environment B

Involuntary Resettlement C

Indigenous Peoples B
Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

Eleven consultation meetings were held, attended by a total of 81 people, or an average of 7 or 8 people per meeting. About 41% of the participants were women. Five of these meetings were conducted among ethnic minorities. One meeting was conducted among women.

During Project Implementation

Business Opportunities

Consulting Services

Procurement

tbd

tbd

Responsible ADB Officer
Leung, Leonard H.

Responsible ADB Department
Southeast Asia Department

Responsible ADB Division
Environment, Natural Resources & Agriculture Division, SERD

Executing Agencies

Central People’s Credit Fund
Implementing Agency
1 F Thai Ha, Dong Da
Ha Noi, Viet Nam
Ministry of Agriculture & Rural Development (MARD)
Pham Quang Toan
tqseap@vnn.vn
Agricultural Projects Management Board
3rd Floor, Agricultural Exhibition Ctr
No.2, Hoang Quoc Viet Str., Cau Giay Dist
Viet Nam Bank for Agriculture and Rural Dev’t.
Implementing Agency
No. 2 Lang Ha Street
Ba Dinh District, Ha Noi, Viet Nam

Timetable

Concept Clearance
26 Sep 2008

Fact Finding
08 Sep 2008 to 19 Sep 2008

MRM
11 Nov 2008

Approval
18 Mar 2009

Last Review Mission
-

PDS Creation Date
29 Oct 2008

Last PDS Update
25 Jan 2018

Loan 2513-VIE

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Financing Plan

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Status of Covenants

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TA 7251-VIE

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**Project Page**
https://www.adb.org/projects/39421-013/main

**Request for Information**

**Date Generated**
15 June 2019

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