## Viet Nam: Low Carbon Agricultural Support Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Low Carbon Agricultural Support Project</th>
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<tbody>
<tr>
<td>Project Number</td>
<td>45406-001</td>
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<tr>
<td>Country</td>
<td>Viet Nam</td>
</tr>
<tr>
<td>Status</td>
<td>Active</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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### Description

The Project will enhance climate smart agriculture development and practices focused on strengthening Low Carbong Agriculture (LCA) policies and institutions; establishing infrastructure support for agri-waste management; and, enhancing LCA technology and development transfer. These will be parts of climate change (CC) mitigation and adaptation measures to reduce green house gas (GHG) emission in 19 provinces of Viet Nam.

### Project Rationale and Linkage to Country/Regional Strategy

The transformation of agriculture production into environment-friendly and sustainable system is fully aligned with the Government of Viet Nam (the Government) and the Asian Development Bank (ADB) strategic and operational priorities on CC mitigation and adaptation. The Government has been continuously seeking green growth strategies to reduce its CC vulnerability. In recent years, many policies and regulations have been enacted, creating a conducive policy and legal framework. Consistent with these strategic priorities, ADB’s emphasis on rural infrastructure and water resources management for enhancing environmental sustainability and climate resilience.

### Drivers of Change

- Private sector development

### Sector / Subsector

- Agriculture, natural resources and rural development
- Agricultural policy, institutional and capacity development
- Energy - Renewable energy generation - biomass and waste
- Finance - infrastructure finance and investment funds

### Strategic Agendas

- Environmentally sustainable growth
- Inclusive economic growth

### Gender Equity and Mainstreaming

Effective gender mainstreaming

### Source of Funding / Amount

Loan 2968-VIE: Low Carbon Agricultural Support Project, concessional ordinary capital resources lending / Asian Development Fund, US$ 74.00 million

### Project Outcome

Greater uptake of Climate Smart Agricultural Waste Management Practices (CSAWMP)

### Description of Outcome

CSAWMP Researches: Contracts have been awarded and consultants mobilized for five packages (25 29). CSAWMP Demonstrations: The demonstration activities were making good progress with all seven packages (32 38) were awarded and providing useful CSAWM solutions.

### Implementation Progress

1. Expanded Use of Livestock Waste Management Infrastructure
2. Credit Lines for Biogas Value Chains and other climate smart agriculture waste management investments
3. Enhanced Climate Smart Agriculture Waste Management Practices (CSAWMP) technology transfer
4. Effective project management

### Project Status

- Loan 2968-VIE: Low Carbon Agricultural Support Project
- Agriculture, natural resources and rural development
- Greater uptake of Climate Smart Agricultural Waste Management Practices (CSAWMP)

### Implementation Progress

- Expanded Use of Livestock Waste Management Infrastructure
- Credit Lines for Biogas Value Chains and other climate smart agriculture waste management investments
- Enhanced Climate Smart Agriculture Waste Management Practices (CSAWMP) technology transfer
- Effective project management
**Status of Implementation Progress (Outputs, Activities, and Issues)**

**Output 1:**
As of 31 August 2018, the achievement are as follows: (i) 55,122 SBPs, 37 MBPs and 2 LBPs were constructed of which 4,747 (8.6%) biogas plants were constructed for ethnic minorities households; (ii) the CMD funds were channeled to 51,314 accounts of beneficiaries; (iii) 102,806 SBP operators (including 51,697 or 50.3% are women), 588 masons (including 34 or 5.8% are women), 1,290 technicians (including 297 or 23% are women), 28 engineers (including 4 or 14.3% are women) and 18 contractors. In total the Project has delivered 2,066 training courses; and (iv) 41,849 biogas plants financed under the Project have been recorded in the single national biogas plant database.

**Output 2:**
Both FIs, VBARD and Co-opbank, continue to experience difficulties in making sub-loans to livestock farms. The main challenges are the lack of demand for this credit line due to its restrictive nature (i.e. only for the construction of biogas plants) and the requirement for collateral of the FIs. Only 520 sub-loans have been provided until now, and all these are under joint accounts as required by FIs. Of $33.6 million allocated for this component, $3.2 million was transferred to the advance accounts of FIs. However, they have used only $0.73 million as of 31 August 2018, and plan to use only $0.18 million more until the end of the Project.

**Output 3:**
CSAWMP Researches: Contracts have been awarded and consultants mobilized for five packages (25-29). CSAWMP Demonstrations: The demonstration activities were making good progress with all seven packages (32-38) were awarded and providing useful CSAWMP solutions. CSAWMP Information System: On 10 August 2017, contract was awarded for Package 23 (design, monitoring, installation and technological transferring to e-library system). The consultant has finalized the second out of five outputs on design and equipment’s specification of the e-library system. Capacity building on CSAWMP: The Project has supported 5 farmer vocational training programs (i.e. prepared syllabuses for farmer vocational training conducted by Department of Cooperatives and Rural Development of MARD). The project has also supported the Department of Cooperatives and Rural Development of MARD to produce 3 more vocational training programs.

**Geographical Location**

**Safeguard Categories**

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<tr>
<th>Environment</th>
<th>B</th>
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<tr>
<td>Involuntary Resettlement</td>
<td>C</td>
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<tr>
<td>Indigenous Peoples</td>
<td>B</td>
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**Summary of Environmental and Social Aspects**

**Environmental Aspects**
The safeguard categorization for environment is B. The extent and nature of environmental impacts are influenced by the fact that the biogas plant and other CSAP investments will be subject to a screening process that will exclude those that may carry significant negative impacts. As such, no biogas plant and other CSAP investments with expected significant environmental adverse impacts (category A according to ADB screening procedures) will be selected.

The potential environmental impacts will be addressed by the Project as follows: (i) careful design of CSAP investments to ensure that increased capacities are accommodated, (ii) development of management plans for the re-use and/or proper disposal of agri-waste, (iii) careful design for biogas plants and other CSAP assets, (iv) provision for collection and disposal of solid waste from rural areas, (v) studies appropriate mitigation measures for any perceived negative impact, (vi) inclusion of contract requirements for contractors to quality control for and carry out all practicable steps to mitigate construction impacts, (vii) increased attention to ensure adequate maintenance of biogas plants and other CSAWMP assets, and (viii) safety awareness programs are conducted in each of CSAWMP investment.

Management of the preparation and implementation of each BP and other CSAP investment will be the responsibility of each asset investor. Relevant agencies will be empowered from national to commune level. They will operate in close coordination with the PPMUs. Technical support for all aspects of project management and implementation will be provided by the safeguard consultants hired by the CPMU.

An initial environmental examination (IEE) has been prepared for the project, which outlines the potential adverse environmental impacts and mitigation measures. An environmental management plan has been included in the IEE. During the project implementation, IEE will be prepared as necessary within a Category B classification in accordance with the approved environmental assessment and review framework (EARF) and the approved IEE prepared during the design phase.

The PPC, through the PPMU will have responsibility for ensuring that all mitigation measures are implemented. The IEE of the first proposed MBP and the IEE of the first proposed LBP will be submitted to ADB for review and approval prior to construction. If the quality is acceptable and consistent with ADB’s Safeguard Policy Statement 2009 then the subsequent IEEs can be approved by the Project Director in the CPMU. In provinces where MBPs and LBPs will be installed, an environment specialist from the relevant Provincial Department of Natural Resources and Environment (DONRE) will be seconded to the PPMU for environmental management and monitoring tasks.

The approved IEE is adequate and there is no need for further detailed study or Environmental Impact Assessment (EIA). No additional study or follow-up EIA is needed under the ADB system, without prejudice to other requirements that the government may enforce under Viet Nam’s policy, legal and administrative framework governing EIA.

**Involuntary Resettlement**
The safeguard categorization is C for involuntary resettlement. No action is required since the project requires no land acquisition and has no involuntary resettlement impacts. Biogas value chain (BVC) management infrastructure will be constructed on land belonging to the BVC owners. The project selection criteria will exclude activities that entail land acquisition and/or involuntary resettlement. MARD and the implementing agencies will monitor and ensure that land to be used for the construction and operation of BVCs are within that owned by the BVC owners/beneficiaries.

**Indigenous Peoples**
The safeguard categorization is B for indigenous people therefore an Indigenous Peoples Plan (ethic minority development plan, EMDP, in local term) was prepared. The IPP/EMDP objective is to design and implement the project in a way that fosters full respect for indigenous people/ethnic minority identity, dignity, human rights, livelihood system, and cultural uniqueness as defined by the indigenous people/ethnic minority themselves so that they: (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as a result of the Project, and (iii) can participate actively in the various investments funded by the Project.

Measures were taken in designing the Project to encourage participation and contribution of the indigenous people/ethnic minority based on the recognition of their unique social and cultural characteristics that may require customized approaches and interventions. This includes: (i) the screening of CSAWMP investments to include indigenous people/ethnic minority as the project beneficiaries; (ii) targeted 5% of GBP for indigenous people/ethnic minority focused in three sample provinces; (iii) Indigenous people/ethnic minority involvement in the construction, management, capacity development/skills training, as maintenance operators and masters of biogas and other CSAWMP investments; (iv) additional human resources support to ensure that indigenous people/ethnic minority received adequate technical support and advice when needed.

The relevant agencies will encourage indigenous people/ethnic minority participation as members for equal access and control in various aspects of biogas development. The IPP/EMDP was prepared to address the twin issues of risk mitigation and benefit enhancement. It is based on the findings of the social assessment and results of consultations with key stakeholders in three sample provinces of Bac Giang, Soc Trang, and Son La Province undertaken during the project’s fact-finding mission. It is in line with Government strategies for indigenous people/ethnic minority as well as ADB SPS (2009) requirement 3. Adequate human and financial resources have been allocated to facilitate the implementation of IPP/EMDP.

**Stakeholder Communication, Participation, and Consultation**

**During Project Design**
The Project has been designed to improve the well-being of poor people, especially the vulnerable and excluded groups, through a series of investments in biogas plants and other CSAWMP assets. During project implementation, the process of consultation will continue throughout the feasibility study and detailed design phase of each biogas plant and other CSA investments to afford community groups the opportunity to voice their views on how the Project is to be implemented and operated to benefit them. This will be accomplished through a series of community consultation meetings at commune and district level. Community consultations with ethnic minority groups shall be tailored to the needs of ethnic minorities and conducted in a culturally-appropriate manner.

The community consultation meetings will be carried out by the PPMUs in collaboration with financial intermediaries, and the design and safeguard consultants. It will include the participation of representatives from the District People's Committee, the Commune People's Committee, and mass organizations such as the Women's Unions, the Farmers' Union and the Youth Union. The communities will be briefed on all aspects of the Project including the detailed investments and the safeguard issues of environment, social, management and financial aspects of the Project. Women will be particularly encouraged to actively participate in the consultation meetings and voice their opinions and views about the subproject design and implementation arrangements.

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The community will also be informed of the O&M arrangements for the biogas plants and other CSA value chain investment and their expected participation in kind or otherwise in this aspect of the work. They will be encouraged to provide ideas and feedback to the design team and raise their concerns regarding potential negative impacts of the biogas plants and other supporting value chain infrastructure on the environment and the welfare of the community. The feedback obtained from these community consultation meetings will be incorporated as necessary in the detailed design of biogas plants and the supporting investments. The process of consultation is expected to build ownership of the biogas plants and other investments by the owners as well as the community and hence foster better sustainability of the investment.

During planning process, it is anticipated that the community will be mobilized in a number of different ways during the design, implementation and operation of different CSA investments. Since most of the CSA assets involve biogas plant construction and other supporting value chain infrastructure, there is a scope for the community to participate in the selection of the site and alignment for instance. Most of the assets are privately owned by households or enterprises. The potential benefits of the investments to the overall communities will be assessed during consultation meetings. During the construction phase of biogas plants and their value chain infrastructure, a significant opportunity for active participation, and for many poor households to benefit from the Project, is in providing wage labor. This will be encouraged through various training for technicians and the bidding documents which will request the contractors to investigate this option whenever possible, especially for MBPs and LBPs. It will also be possible for communities to participate effectively in the supervision of the construction works.

The community will also be required to participate in the operation and maintenance (O&M) of the completed biogas plants and other value chain infrastructure wherever possible, such as through promotion of the use of bioslurry for organic fertilizers; connection of gas and electricity produced by biogas plants to the neighborhood or public grids; provision of labor or in some cases cost and revenue sharing for common use of the assets.

**Loan 2968-VIE**

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<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
<th>Financing Plan</th>
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<tr>
<td>12 Dec 2012</td>
<td>07 Mar 2013</td>
<td>05 Jun 2013</td>
<td>30 Jun 2019</td>
<td>Original</td>
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| Project Cost | 84.00 | Cumulative Contract Awards |
| ADB | 74.00 | 12 Dec 2012 | 28.47 | 0.00 | 76% |
| Counterpart | 10.00 | Cumulative Disbursements |
| Cofinancing | 0.00 | 12 Dec 2012 | 28.35 | 0.00 | 76% |

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