



Implementation Completion Memorandum

Project Number: 38109-012
Grant Number: 9058
November 2021

Viet Nam: Expanding Benefits for the Poor through Urban Environmental Improvements (Financed by the Japan Fund for Poverty Reduction)

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Asian Development Bank

JAPAN FUND FOR POVERTY REDUCTION (JFPR)
IMPLEMENTATION COMPLETION MEMORANDUM (ICM)

I. BASIC INFORMATION			
1. JFPR Number and Name of Grant: JFPR 9058-VIE: Expanding Benefits for the Poor through Urban Environmental Improvements			
2. Country (Developing Member Country): Socialist Republic of Viet Nam		3. Approved JFPR Grant Amount: \$1,000,000	
4. Grant Type: <input checked="" type="checkbox"/> Project / <input type="checkbox"/> Capacity Building		5-A. Undisbursed Amount \$248,934.49	5-B. Utilized Amount \$751,065.51
6. Contributions from Other Sources			
Source of Contribution:	Committed Amount	Actual Contributions:	Remark - Notes:
Government of Viet Nam	\$140,000	MOC: \$50,000 TKCPC: \$90,000	MOC = Ministry of Construction TKCPC = Tam Ky City People's Committee
Other Donors	\$0	\$0	
Private Sector	\$0	\$0	
Community/Beneficiaries	\$60,000	\$60,000	Community labor contribution equivalent to \$60,000
7-A. Government of Japan Approval Date: 22 October 2004		7-B. Asian Development Bank (ADB) Approval Date: 02 December 2004	7-C. Date the Letter of Agreement was Signed (Grant Effectiveness Date): 12 May 2005
8-A. Original Grant Closing Date: 11 May 2008		8-B. Actual Grant Closing Date: 11 November 2008	8-C. Account Closing Date: 23 October 2009
9. Name and Number of Counterpart ADB (Loan) Project: Loan 2034-VIE(SF): Central Region Urban Environmental Improvement Project			
10. The Grant Recipient(s): State Bank of Vietnam, 47-49 Ly Thai To St., Ha Noi, Viet Nam Mr. Nguyen Quang Huy, Director General, International Cooperation Department Fax No.: (84-4) 8250612			

11. Executing and Implementing Agencies:

(i) Executing Agency:

Management Board for Surveying and Planning Investment Projects (MBP), Ministry of Construction
Dr. Do Tu Lan, Director of MBP
(Now renamed the Management Board for Urban Development Projects, Urban Development Agency,
Ministry of Construction)
Address: 37 Le Dai Hanh, Ha Noi, Viet Nam
Tel: (84-4) 9740318
Fax: (84-4) 9740712
E-mail: dotulan@fpt.vn

(ii) Implementing Agencies:

Quang Nam Provincial People's Committee
Mr. Le Minh, Vice Chairperson
Address: 62 Hung Vuong, Tam Ky, Quang Nam, Viet Nam
Tel: (84-510) 812696
Fax: (84-510) 852748

Tam Ky City People's Committee
Mr. Hoang Xuan Viet, Chairman
Address: 70 Hung Vuong, Tam Ky, Quang Nam, Viet Nam
Tel: (84-510) 851454
Fax: (84-510) 852904

Management Board of ODA Projects
Mr. Tran Nam Hung, Director, Vice Chairman of Tam Ky City People's Committee
Tel: (84-510) 851746
Fax: (84-510) 851457

Women's Union of Tam Ky City
Ms. Nguyen Phuong Hoa, Chairperson
Address: 99 Hung Vuong, Tam Ky, Quang Nam, Viet Nam
Tel: (84-510) 859293

II. GRANT PERFORMANCE ASSESSMENT

12. Description:

Viet Nam's central region has suffered from unhygienic environmental conditions, resulting in annual flooding, poor drainage, and generally poor public health. A majority of the population, particularly the poor, lack access to adequate urban infrastructure services such as drainage, water supply, and solid waste collection. The central idea of the proposed project was that good health, hygiene, and a sanitary environment coupled with adequate skills would result in a productive labor force and therefore break the cycle of poverty. The government proposed Tam Ky city, located in Quang Nam province, as a pilot area.¹

This grant project was associated with an ADB-financed project which aimed at improving urban environmental conditions, quality of life, and the health of urban residents; strengthening local management capacity in six project towns in Viet Nam's central region (Dong Ha, Ha Tinh, Lang Co, Quang Ngai, Tam Ky, and Thanh Hoa); promoting balanced regional economic development; and reducing migration from the central region to Ha Noi and Ho Chi Minh City.² The project was designed to complement the associated loan project, with a focus on poor communities that could not be covered through the loan project.

13. Grant Development Objective and Scope:

The project aimed to reduce poverty and improve the quality of life and livelihoods of poor communities through (i) greater access to environmental infrastructure and services; (ii) community participation and improved skills for planning, implementation, operation and maintenance of community infrastructure; and (iii) cooperation and intermediation between poor communities and local institutions for sustainable environmental infrastructure.

There were four project components:

- (i) **Component A:** Community environmental infrastructure improvements. This component included small-scale subprojects to improve community infrastructure to mitigate flooding, environmental hazards, and health issues.
- (ii) **Component B:** Community mobilization and skills training for infrastructure operations and maintenance. This component facilitated skills training on environmental sanitation, simple construction methods using appropriate technology, production/assembly of construction materials, and community organizing.
- (iii) **Component C:** Community-based solid waste management. This component aimed to enable communities to participate actively in maintaining a clean and hygienic environment through proper solid waste management.
- (iv) **Component D:** Project implementation assistance and capacity building. This component was to provide project coordinating unit (PCU) support for overall project management, including reporting, monitoring and evaluation, auditing of project accounts, and poverty impact assessment.

Project relevance. The project is assessed as relevant. It complemented the associated loan project by addressing development challenges at the community level. The use of grants was appropriate in augmenting the development impact by focusing on the last mile in the provision of urban services. A project design that focused on community participation in design and implementation was essential to enhance community awareness and ownership, and to ensure effective project implementation as well as its sustainable operation and maintenance. The selection of Tam Ky city was justified based on its poverty profile, infrastructure needs, and its demonstrational role as a pilot case for a new city.

As envisaged in the project design, subprojects were identified and selected as a result of extensive

¹ The rationale for the town selection included (i) a high poverty rate; (ii) high incidence of flooding; (iii) a relatively new provincial capital, which was ideal for a pilot project from an institutional standpoint; (iv) a central location with respect to the other central region towns of Da Nang, Hue, Lang Co, and Quang Ngai; and (v) a town with a medium-sized population of 172,000 people that would enable the project to have a significant impact on future development. In Tam Ky, the six wards which participated in the project were An Phu, An Xuan, Huong, Phuoc Hoa, Tan Thanh, and Hoa Thuan (at the time of project approval, Hoa Thuan ward was part of Tan Thanh ward).

² ADB. 2013. *Project Completion Report: Central Region Urban Environmental Improvement Project*. Manila. <https://www.adb.org/sites/default/files/project-document/76364/34355-013-vie-pcr.pdf>.

<p>discussions and consultations with local authorities and communities, based on a participatory approach. When consensus was not reached (as in the case of the community-based solid waste management component), appropriate adjustments were made to not proceed with the component.</p> <p>The project implementation was delayed by six months due to the time required for consultation with local communities and due to floods in 2006 and 2007.</p>		
14. Key Performance Indicators	Accomplishments Rating (HS, S, PS, U ³)	Evaluation of Each Indicator:
Component A: Community environmental infrastructure improvements		
(i) 7 kilometers (km) of tertiary drainage constructed	S	Constructed 2.54 km of tertiary drainage, which was connected with the secondary drainage system of Tam Ky city in six project wards. The scope was subsequently reduced in consultation with the community as it sufficiently covered the six project areas. It improved drainage conditions and sustainability, functioning as part of an integrated city drainage system.
(ii) 3 km of alleyways and footpaths improved, and 2 km of laterite road constructed	HS	Improved 3.36 km of alleyways and footpaths, and constructed 2.81 km of laterite road, improving socioeconomic conditions and community well-being in the six project wards, especially during the rainy season. This activity was aligned with the city transport plan, including its operation and maintenance arrangements.
(iii) 200 connections with mains water supply installed in houses	S	Installed 195 tap-water connections in houses (or 97.5% of the original target) in consultation with the community in the six project wards. There was an immediate appreciation by the community with improved access to safe and stable potable water, demonstrating its value as a pilot project.
(iv) 300 sanitation facilities for poor households constructed	HS	Constructed 450 household sanitation facilities for the poor population based on consultation with the community. This activity had a significant impact on improving hygiene and health conditions, demonstrating its value as a pilot project.
Component B: Community mobilization and skills development for infrastructure organization and maintenance		
(i) Skills acquired by 10 specialized trainers in construction/carpentry, waste collection and recycling, sanitation, and other environment-related work	HS	The project chose 10 officials with relevant capacity and trained them at the College of Training and Upgrading Officials on Construction, Ministry of Construction (now renamed the Official Training Institute) in Ha Noi. After four months of training, the 10 officials were certified. They prepared training content covering the required subjects as well as construction requirements in the six project wards. This was instrumental in rolling out the necessary training of construction workers and the targeted population in the community.

³ HS = highly satisfactory; S = satisfactory; PS = partly satisfactory; U = unsuccessful

(ii) Skills acquired by 400 persons in construction, waste segregation and collection, sanitation, and other environment-related work	S	Trained a total 350 people (or 87.5% of the target) from the six project wards including: 90 people for construction; 90 people for solid waste segregation and collection; 80 people for sanitation-related work; 10 people for other environment-related work; and an additional 80 people for community skills and other related work, which was deemed necessary and focused on basic knowledge about communities, as well as capacity building in self-management. The training was adjusted to have reduced desk time and increased practical training. The training was instrumental in preparing the community for a project with a participatory approach, as well as providing the community with basic skills to take part in construction as well as organization and maintenance, and enhancing understanding on sanitation and hygiene.
(iii) Absorbed at least half of all trainees into the construction labor market	S	All the trainees were hired in construction work, as well as in supervision, operation, and maintenance of construction work, demonstrating the training's effectiveness especially in construction work on roads, drainage, sanitation facilities, and the installation of household tap-water connections.
Component C: Community-based solid waste management		
i) Improved and effective solid waste management systems, whereby an additional 15 tons/day of waste would be collected, and 10 communal transfer points constructed	U	Constructed only one communal transfer point in in Hoa Huong in An Xuan ward as a pilot model project. Although 11 other locations were identified, communal transfer points were not constructed there due to local sensitivity on the locations, and therefore the collection of 15 tons/day of waste was not achieved.
ii) Segregated solid waste at the source in pilot wards	U	Unsatisfactory because most of the envisaged communal transfer points were not constructed.
iii) Video documentary produced	S	Produced a 40-minute documentary video. The video content demonstrated lively images of project activities, especially the pilot model in An Xuan ward, contributing positively to raising awareness and appreciation of the impact on the community.
Component D: Project implementation assistance and capacity building		
(i) Semiannual progress and financial reports prepared	S	Prepared reports quarterly, semiannually and yearly, to accurately and comprehensively document the implementation progress of activities, difficulties, and proposed solutions.
(ii) Poverty impact assessment by an individual consultant prepared	S	A final report was prepared by a poverty impact consultant. A basic socioeconomic survey was conducted in the six project wards at the beginning of the project to establish a baseline concerning poverty, infrastructure, environment, and institutional frameworks.

(iii) ICM prepared by PCU	S	A draft was prepared by PCU and revised in consultation with ADB staff.
(iv) Annual audited financial report by an external auditor prepared	U	Semiannual progress and financial reports were prepared by a project management consultant, instead of an annual audited financial report by an external auditor.
(v) Workshop discussions and information disseminated	S	There were three key workshops organized in Tam Ky city (October 2005, February 2008, and May 2008) as documented in semiannual reports. These workshops were effective in sharing with the community the project progress, its shortcomings and benefits, and discussing adjustments required during the implementation.

15. Evaluation of Inputs:

- (i) **The economy of input provision:** The project is assessed satisfactory on the economy of input provision. The cost estimate was appropriate and there was no significant cost overrun. Local competitive bidding was adopted when appropriate, while direct purchases based on quotations were used for the procurement of equipment and tools, in accordance with procurement guidelines.
- (ii) **The productivity of the inputs:** The project is assessed satisfactory on the productivity of inputs. The project utilized about 75% of the grant funds and most key output indicators were achieved, with a substantial overachievement in the number of household sanitation facilities constructed. An exception is component C on community-based solid waste management, under which the communal transfer point construction did not proceed as originally planned due to local sensitivity on the location of communal transfer points.
- (iii) **The quality of the inputs.** The project is assessed satisfactory on the quality of the inputs. The trainers selected were officials with relevant capacity. They were trained extensively for four months and certified. They produced quality training materials and effectively undertook training of community members so that they might take part in the project construction, supervision, operation, and maintenance. The project management consultant effectively supported the implementation agency in managing this challenging and complicated project, which heavily involved community participation. The project formulation and design that involved consultation, a poverty survey, and community participation at the beginning of the project were effective in generating synergy among each component and cooperation among various stakeholders especially the beneficiary community members.
- (iv) **Reasons for deviating from planned inputs and activities.** The inputs and activities for the community-based solid waste management for component C were limited to only one communal transfer point in Hoa Huong in An Xuan ward as a pilot model project, instead of 10 transfer points, due to local sensitivity on the location of communal transfer points. In addition, instead of an annual audited financial report by an external auditor, semiannual progress and financial reports were prepared by a project management consultant. It was not possible to verify why the change was made.
- (v) **Client satisfaction** with the inputs provided. The project implementation was affected by flooding in 2006 and 2007; however, the implementation agency and the beneficiary community members were satisfied with the project design, activities, and their participation.
- (vi) **The performance of ADB, the recipient, executing agency, implementing agencies, and nongovernment organizations.** The performance of all stakeholders is assessed partly satisfactory due to incomplete activities in components C and D. Each stakeholder understood the project design and their respective role in the project, and cooperated effectively with each other during the project implementation.

16. Evaluation of Outputs and Results:

- (i) **Efficiency in the production of outputs.** The project is assessed satisfactory on efficiency in the production of outputs. There was no significant cost overrun. The project implementation was extended for six months but this was reasonable considering the flood impacts in 2006 and 2007.
- (ii) **Effectiveness or efficacy.** The project is assessed partly satisfactory on effectiveness. Most activities were implemented as planned (except components C and D related to the communal transfer points and audited financial reports). Community participation and mobilization were successful in supporting the installation and construction work. Training included in the project was instrumental in delivering the planned results.
- (iii) **Quality of outputs.** The project is assessed partly satisfactory on quality of outputs. The tertiary drainage was integrated with Tam Ky city's secondary drainage system, and the alleyways, footpaths, and laterite road were aligned with the city plan, thus can be considered sustainable. However, the household tap-water connections installed were designed only for immediate requirements; thus, in the long term, they may need to be upgraded to ensure stable and sustainable use.
- (iv) **Recipient and client (beneficiary) satisfaction with the outputs/results.** The project is assessed satisfactory on recipient and client satisfaction with the output and results. The most effective result on institutions was the establishment of a trusted relationship among related parties in guiding and assigning the project implementation between the People's Committee of Quang Nam province, the People's Committee of Tam Ky city, the people's committees of the six wards, and public organizations like Women's Union, Country Confront, and youth associations. Creating community groups in the six project wards was especially effective in connecting beneficiary community members and related parties in the wards.
- (v) **Timeliness of delivery of outputs.** The project is assessed partly satisfactory on the timeliness of the delivery of outputs. The project implementation was affected by flooding in 2006 and 2007, slow disbursements that delayed some construction work, and the project being extended for six months.
- (vi) **Effectiveness of the exit strategy and related transfer of activities for sustainability.** The project is assessed satisfactory on the effectiveness of the exit strategy and related transfer of activities for sustainability. The project included sufficient community consultation, and active community participation, in design and implementation. The training provided to community members was not only essential for construction work, but also for project supervision, awareness building for community participation, the environment, and sanitation. All these were critical in enhancing community ownership of the project and hence its sustainability.

17. Overall Assessment and Rating:

The project is rated *successful* (S) considering it is assessed *relevant*, less than *effective*, *efficient*, and *likely sustainable*. The project was *relevant* in addressing critical development needs at the community level with an appropriate project design that incorporated community participation, complementing the associated loan project. The project was less than *effective* because some components were not fully delivered while others exceeded the key output indicator. The project was *efficient* in delivering the output with the available resources, with a slight delay in project implementation. The project is *likely sustainable* as the major infrastructure works aligned with city planning and integrated with the city infrastructure system, while some equipment introduced to meet immediate needs may need to be upgraded to ensure stable and sustainable use by households in the community.

18. Major Lessons Learned:

- (i) Sufficient community participation was essential for the project's success. Community participation in project design, selection of beneficiaries, and implementation activities through consultation, workshops, and training was effective. In particular, women in the community played an important role during the project implementation. To enhance effectiveness, community mobilization should pay more attention to the poorest community members and engage and cooperate with community members more closely and more often.
- (ii) Strong organizational capacity is essential, especially for successful community participation. The organizational capacity in the six project wards was weak at the beginning of the project, and initially impacted the speed and quality of project implementation. However, through repeated and continued consultations and training, the capacity improved and paved the way for better results. The capacity

building of local resource persons played an important role in this effectiveness.

- (iii) Project information communication with the beneficiary community should be strengthened during the project implementation. Effective and continued communication on the project helped the beneficiary community members understand their responsibilities and their contributions to the project.
- (iv) Systematic monitoring of report submissions was necessary to ensure better project management. The project was implemented before ADB strengthened its monitoring of annual audited project financial report submission through eOps. Prior to the project completion, there was neither an established nor integrated monitoring system to ensure all project reports, including audited project financial reports, were prepared and submitted on time. Fortunately, ADB now has a well-established structure and mechanism to monitor report submissions through eOps, and the management and staff are well aware of the importance of report submissions. This also applies to the monitoring of project completion reports.

19. Recommendations and Follow-up Actions:

Lessons discussed above may be useful for a similar project with a focus on community-level intervention.

20. Additional Remarks, Comments and Suggestions:

This ICM was finalized based on a draft which was prepared in November 2008 but was left incomplete. Regrettably, it was not possible to verify why the ICM was left unfinished for more than a decade. However, we made a decision to finalize the ICM to uphold our prudence and accountability, by assessing and recording the project outcome and outputs to the greatest extent possible despite the significant time lapse and limited information.

III. PREPARATION AND APPROVAL		
Prepared by:	Name of person and designation/name of institution	Date
1. Representative of the Recipient:	Mr. Hoang Xuan Viet, Chairman of Tam Ky City People's Committee	October 2008
2. Manager, JFPR-GIU:*	Mr. Hoang Xuan Viet, Chairman of Tam Ky City People's Committee	October 2008
3. Project Officer, ADB:	Mr. Januar Hakim, Urban Development Specialist (retired)	October 2008
4. Finalized by, ADB:	Mr. Keiju Mitsuhashi, Deputy Country Director, VRM	September 2021

* GIU = grant implementation unit (formerly called PIU = project implementation unit).

Approved	Name of person and designation/name of institution/signature	Date
1. Director General, Department, ADB:	Mr. Ramesh Subramaniam, Director General, SERD	
2. Country Director, ADB:	Mr. Andrew Jeffries, Country Director, VRM	2 November 2021
3. Head of the recipient:	Mr. Hoang Xuan Viet, Chairman of Tam Ky City People's Committee	
4. Head of the Executing Agency:	Ms. Do Tu Lan, Director of MBP	
5. Head of Implementing Agency:	Mr. Tran Nam Hung, Vice Chairman of Tam Ky City People's Committee, Director of Management Board of ODA projects	