



FAST Report

Project Number: 54074-001
October 2020

Loan and Administration of Technical Assistance Grant Binh Duong Water Environment Joint Stock Company Binh Duong Water Treatment Expansion Project (Viet Nam)

This is an abbreviated version of the document approved by ADB's Board of Directors, which excludes information that is subject to exceptions to disclosure set forth in ADB's Access to Information Policy.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 27 August 2020)

Currency unit	–	dong (D)
D1.00	=	\$0.000043
\$1.00	=	D23,122

ABBREVIATIONS

ADB	–	Asian Development Bank
BIWASE	–	Binh Duong Water Environment Joint Stock Company
COVID-19	–	coronavirus disease
EBITDA	–	earnings before interest, taxes, depreciation, and amortization
EHS	–	environmental, health, and safety
FAST	–	Faster Approach to Small Nonsovereign Transactions
PPC	–	provincial people's committee
PSOD	–	Private Sector Operations Department
SERD	–	Southeast Asia Department
TA	–	technical assistance
VIWASEEN	–	Vietnam Water and Environment Investment Corporation JSC
WTP	–	water treatment plant

WEIGHTS AND MEASURES

MLD	–	million liters per day
m ³ /day	–	cubic meter per day

NOTE

In this report, "\$" refers to United States dollars.

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PROJECT AT A GLANCE

1. Basic Data		Project Number: 54074-001	
Project Name	Binh Duong Water Treatment Expansion Project	Department/Division	PSOD/PSIF2
Country Borrower	Viet Nam, Socialist Republic of Binh Duong Water Environment JSC		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=54074-001-PortAtaGlance		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Water and other urban infrastructure and services	Urban water supply		8.00
		Total	8.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	0
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ Making cities more livable		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 6.4		Effective gender mainstreaming (EGM)	✓
		Poverty Targeting	
		Geographic Targeting	✓
4. Nonsovereign Operation Risk Rating			
Obligor Name		Obligor Risk Rating	Facility Risk Rating
Binh Duong Water Environment JSC		Confidential Information Deleted	Confidential Information Deleted
5. Safeguard Categorization		Environment: B	Involuntary Resettlement: C
		Indigenous Peoples: C	
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		8.00	
Nonsovereign LIBOR Based Loan (Regular Loan): Ordinary capital resources		8.00	
Cofinancing		8.00	
-Debt - Japan International Cooperation Agency (Not ADB Administered)		8.00	
Others ^a		30.10	
Total		46.10	
Currency of ADB Financing: US Dollar			

^a Derived by deducting ADB financing and Cofinancing from Total Project Cost.

I. INTRODUCTION

1. This is an eligible transaction under the Faster Approach to Small Nonsovereign Transactions (FAST) framework.¹ The transaction involves a loan of up to \$8,000,000 to Binh Duong Water Environment Joint Stock Company (BIWASE) for the Binh Duong Water Treatment Expansion Project in Viet Nam and the administration of technical assistance (TA) not exceeding \$500,000 to be provided by the Republic of Korea e-Asia and Knowledge Partnership Fund for the Creditworthiness and Institutional Capacity Enhancement for BIWASE.

2. The project entails a corporate loan to support BIWASE's investment in the addition of 100,000 cubic meters per day (m³/day) of water production capacity in the Tan Hiep Water Treatment Plant (WTP) in Binh Duong province in Viet Nam. The attached TA complements the project by improving BIWASE's creditworthiness and institutional capacity to provide climate-resilient, sustainable, and affordable water supply services. The project will contribute to achieving the Strategy 2030 goals of the Asian Development Bank (ADB)² goals by enhancing water supply service coverage and efficiency in the province. Developed as a One ADB cross-departmental project between the Private Sector Operations Department (PSOD) and Southeast Asia Department (SERD), the project will demonstrate ADB's first viable private sector financing in the water sector in Viet Nam. Classified *effective gender mainstreaming*, the project will promote gender equality and women's empowerment in BIWASE's business activities.

II. THE PROJECT

A. Project Identification and Description

3. **Water sector performance and sector reforms.** With a population of 96.2 million in 2019, Viet Nam's access to water supply increased from 65% in 2000 to 95% in 2017.³ In 2020, the water supply system in Viet Nam has a total treated water production capacity of 9.5 million m³/day, with piped water supply coverage in urban areas reaching 88%. The improvement was driven by the government's sector reforms which started in 2007 through gradual "equitization" of state-owned water utilities.⁴ In 2007–2009, the government issued key water legislation to transform water from a social commodity to a commercial commodity. Water supply tariffs are set on a full cost-recovery basis. Water supply service companies are required to comply with ambitious targets in reducing non-revenue water to 18% by 2020, from an average of 30% in 2010. As of January 2020, about 110 private or partly state-owned water supply service companies operated across Viet Nam.

4. **Sector challenges.** In 2017, the government decided to fully open its provincial water service companies to private sector ownership. However, the ongoing reform faces various institutional and financial challenges. First, the Ministry of Construction is responsible for policies and regulations governing water supply for urban areas and industrial zones, and the provincial people's committees (PPCs), i.e., the provincial governments, manage service delivery. The challenges are whether (i) such devolution of responsibility is matched with accountability in terms

¹ Asian Development Bank (ADB). 2015. *Faster Approach to Small Nonsovereign Transactions*. Manila.

² ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

³ Central Population and Housing Census Steering Committee. 2019. *The Viet Nam Population and Housing Census on April 2019 Implementation Organization and Preliminary Results*. Ha Noi; United Nations Children's Fund. 2020. *Policy Brief Water, Sanitation and Hygiene in Viet Nam*. Ha Noi.

⁴ "Equitization", a term used in Viet Nam since 1992, is the process of transforming a state-owned enterprise into a joint stock company. The government considers equitization as partial privatization.

of complying with central regulations and standards, and performing obligations to its users; and (ii) PPCs can effectively fulfill their roles in planning, implementing, and operating essential services, with necessary mechanisms in place to be held accountable. There is limited contractual relationship between water supply service companies and PPCs in many provinces, despite the government's regulatory guidance. Limited oversight at the central and provincial levels poses the risk of a privatized water supply service company steering its strategic business decisions towards maximizing returns, rather than ensuring equitable and affordable public service delivery.

5. Second, a privatized water service company faces the following challenges: (i) a weak legal basis of operation and therefore low commitment to improve service standards because of the absence of contractual relationships with PPCs; (ii) limited access to financing for long-term investments because of insufficient creditworthiness; and (iii) slow transformation of operations and corporate culture from a state-owned enterprise to that of a fully privatized commercial entity. Since water supply tariffs are approved by PPCs, transferring financial obligations from the government (public) to the private sector by reducing the government's ownership can expose the water supply service companies to heightened risk of financial unsustainability. Developing equitable and financially sustainable water supply service in Viet Nam through sector reform requires continuous support to provide access to financing and enhance privatized water supply service companies' creditworthiness and institutional and operational capacity.

6. **Project identification.** Since 2011, ADB has supported Viet Nam's water sector reform through a \$1 billion multitranche financing facility (sovereign loan) that finances the Water Sector Investment Program.⁵ The investment program helps selected water supply service companies improve their service and invest in key infrastructure by providing access to sovereign-guaranteed financing. BIWASE is participating in the program by borrowing a sovereign-guaranteed loan of \$39.9 million to upgrade its water supply system and completed their construction.⁶ Building on the successful sovereign loan implementation, ADB and BIWASE have been exploring the possibility of private sector (nonsovereign) financing since 2019.

7. **Project rationale.** Binh Duong province, where BIWASE operates, is one of the fastest developing provinces in Viet Nam. The province has attracted \$5.7 billion worth of foreign direct investments since 2016. More than 25 industrial zones and clusters, including the Viet Nam–Singapore Industrial Park, provide jobs to nearly 1.3 million local workers and more than 500,000 foreign workers. BIWASE supplies water to this fast-growing province and has a total water production capacity of 311,300 m³/day, a total distribution pipe length of 4,276 kilometers, and more than 269,000 connections with service coverage of 78% of the province's population. Provincial water demand increased annually by 16%–20% during 2016–2019, and BIWASE projects the provincial water demand will exceed its current production capacity by 2020–2021.

8. **Project design.** The project will expand the Tan Hiep WTP's production capacity by 100,000 m³/day and serve the increasing water demands from domestic customers and industrial zones in Ben Cat town, Tan Uyen town, and Thu Dau Mot city. The project will install additional water intake pumps and construct 9 kilometers of raw water transmission pipes from the Dong Nai River intake facility to the Tan Hiep WTP, connecting to the downstream distribution network.

⁵ ADB. 2011. [*Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the Socialist Republic of Viet Nam for the Water Sector Investment Program*](#). Manila. Ongoing and MFF availability period is expected to be extended to December 2024.

⁶ ADB. 2012. [*Socialist Republic of Viet Nam: Water Sector Investment Program—Tranche 2*](#). The loan was approved in December 2012 and will be completed on 31 December 2020. BIWASE is one of four water supply service companies borrowing for investment, and completed their work, installation of 318 kilometer of transmission and distribution network, before the end of 2017.

9. **Borrower.** BIWASE, originally founded in 1975 as a government-owned entity, started equitization in 2016, converted into a joint stock company in September 2016 and was listed on the Ho Chi Minh Stock Exchange in July 2017. **CONFIDENTIAL INFORMATION DELETED.** The company covers all key water demand centers in the province and is positioned as a natural monopoly providing essential services to Binh Duong province. **CONFIDENTIAL INFORMATION DELETED.**

10. BIWASE also operates waste management and wastewater treatment businesses:

- (i) **Waste management.** BIWASE is the sole provider of municipal solid-waste treatment for the PPC and is one of the largest industrial solid-waste treatment providers for industrial and commercial users in Viet Nam. **CONFIDENTIAL INFORMATION DELETED.**
- (ii) **Wastewater treatment.** BIWASE is the sole operator of municipal wastewater and sanitation services in Binh Duong province. It operates and maintains the wastewater assets owned by the PPC, which pays treatment and maintenance fees to BIWASE based on the volume of treated wastewater. **CONFIDENTIAL INFORMATION DELETED.**

CONFIDENTIAL INFORMATION DELETED.

11. BIWASE is one of the water supply service companies that have successfully implemented the aforementioned sovereign program. Though its financial management capacity was confirmed adequate through the sovereign program, BIWASE needs to enhance its capacity by (i) adopting International Financial Reporting Standards to better communicate with domestic and international investors; and (ii) developing a long-term corporate business strategy and plan to adapt to the changing market environment, climate risk, and mobilizing private sector financing.

12. **COVID-19 impacts.** The coronavirus disease (COVID-19) pandemic has not had a material impact on BIWASE's operations and its implementation of the project. **CONFIDENTIAL INFORMATION DELETED.**

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B. Development Impact, Outcome, and Outputs

13. **Impact.** The project is aligned with the following impact: water supply sector developed for urban and industrial areas to contribute to industrialization and urbanization in Viet Nam.

14. **Outcome.** The project will have the following outcome: adequate and reliable amount of potable water for residents of Binh Duong province increased.

15. **Outputs.** The project will have four outputs: (i) Tan Hiep WTP water production capacity expanded, (ii) BIWASE's creditworthiness and institutional capacity enhanced, (iii) BIWASE's gender inclusiveness improved, and (iv) support for gender norm change in work-life balance enhanced.

C. Alignment with ADB Strategy and Operations

16. **Consistency with ADB strategy and country strategy.** The project aligns with the following operational priorities of ADB's Strategy 2030: (i) making cities more livable (by providing affordable, safe, and effective water and sanitation services), (ii) addressing remaining poverty

and reducing inequalities (by generating quality jobs), and (iii) accelerating progress in gender equality (by enhancing gender equality in decision-making and leadership). It also supports Strategy 2030's objective to expand the role of private sector operations and mobilize additional resources on top of ADB's own financing. The project also supports the strategic priority of ADB's Water Operational Plan 2011–2020, and ADB's country partnership strategy for Viet Nam, 2016–2020, which aims to foster inclusive and environmentally sustainable growth.⁷

17. **Lessons from previous operations.** The project builds on lessons from recent sovereign projects in the water sector. It incorporates measures to enhance analytical cost accounting systems and better business planning to facilitate communication with the government entity that sets water tariffs.⁸ The project design includes the attached TA, strengthening BIWASE's business planning and financial management capacity.

D. Project Cost and Financing Plan

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18. No climate mitigation or adaptation financing has been estimated for this project.

E. Implementation Arrangements

19. Table 5 summarizes the implementation arrangements.⁹

Table 5: Summary of Implementation Arrangements

Aspects	Arrangements
Regulatory framework	Under the Water Supply Decree, the Orientation Plan for Urban Water Supply, and the Decision on Non-Revenue Water, water supply tariffs are to be set to achieve full cost recovery and require water utilities to comply with ambitious targets of 18% non-revenue water by 2020. Water tariffs are regulated by the PPC. The provincial Department of Finance appraises BIWASE's tariff proposal and submits it to the PPC for approval.
Management	BIWASE's senior management is led by the board of directors, consisting of seven experienced professionals, including two external members. The board develops the company's business operations and oversees the management's performance to ensure compliance with policies, plans, and strategies.
Implementation period	October 2020–September 2021
Operations arrangements	
Revenue structure	BIWASE collects water tariffs from each end user for treating and distributing tap water. CONFIDENTIAL INFORMATION DELETED. The municipal solid waste treatment fees are paid by the eight district people's committees of Binh Duong province based on offtake agreements. Industrial waste treatment fees are paid by more than 2,000 industrial, commercial, and medical customers based on offtake arrangements. The tariff rates for industrial waste treatment are not regulated and are subject to market and competitive forces.
Cost structure	Capital costs of the project include the construction of a water intake facility, transmission line and additional water treatment capacity, land acquisition

⁷ ADB. 2012. *Water Operational Plan 2011–2020*. Manila; ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020—Fostering More Inclusive and Environmentally Sustainable Growth*. Manila.

⁸ ADB. 2019. *Completion Report: Azerbaijan Water Supply and Sanitation Investment Program (Tranche 1)*. Manila.

⁹ Details of Implementation Arrangements (accessible from the list of linked documents in Appendix 2).

Aspects	Arrangements
	and resettlement and contingencies. O&M costs include raw water, electricity, chemicals, repair and maintenance, labor, administration, and other miscellaneous costs.
Operation and maintenance	There are no expected shortages of the materials and chemicals required for O&M of the project. All O&M activities are managed within BIWASE.
Performance monitoring	BIWASE will report key performance indicators, including output and outcome indicators from the design and monitoring framework, and submit quarterly unaudited and annual audited financial statements.

BIWASE = Binh Duong Water Environment Joint Stock Company, O&M = operation and maintenance, PPC = Provincial People's Committee.

Source: Asian Development Bank.

F. Projected Financial and Economic Performance

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G. Unique Features

20. The project originated and was structured through a One ADB approach, where ADB demonstrated a successful transition from sovereign financing to standalone private sector financing with the same client. SERD worked with BIWASE to develop the water supply system through its sovereign program (para. 6) and identified BIWASE's potential to consider a nonsovereign loan to continue accessing ADB financing. Technical assistance and support by SERD's resources complemented PSOD's due diligence analysis, which also included the conduct of a shadow rating through Standard and Poor's.¹⁰ The combination of SERD's sector knowledge and PSOD's transaction expertise enabled the first PSOD–SERD joint nonsovereign operation in Viet Nam and ADB's first nonsovereign transaction in the water sector in the Greater Mekong Subregion. The project itself and its processing approach have strong replication potential in Viet Nam and other developing member countries.

III. THE ADB ASSISTANCE

A. The Assistance

21. ADB will provide debt financing to BIWASE in the form of a corporate loan of up to \$8 million to support BIWASE's investment to add 100,000 m³/day to its current water production capacity in the Tan Hiep WTP. **CONFIDENTIAL INFORMATION DELETED.** ADB is also arranging the mobilization of a parallel loan of \$8 million from the Japan International Cooperation Agency.

B. Value Added by ADB Assistance

22. Through a strong One ADB approach, ADB has provided BIWASE with a one-stop solution to support its transition from reliance on sovereign financing to private sector financing. ADB's support and engagement with the water sector in Viet Nam will have a strong demonstration impact on other international financiers in proving the viability of private sector commercial financing in the water sector in Viet Nam. The project aims to reduce the gender gap by

¹⁰ ADB. 2018. [Technical Assistance for the Southeast Asia Urban Services Facility](#). Manila (TA 9554-REG); ADB. 2008. [Knowledge and Innovation Support for ADB's Water Financing Program](#). Manila (TA 6498-REG); Direct charge through the Netherlands Trust Fund under the Water Financing Partnership Facility.

incorporating gender-inclusive initiatives in the project design. ADB's assistance will also ensure that BIWASE fully adopts and implements ADB's environmental and social safeguards standards.

C. Risks

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D. Technical Assistance

23. The attached transaction TA is estimated to cost \$0.5 million and is financed on a grant basis by the Republic of Korea e-Asia and Knowledge Partnership Fund. It will be implemented during 2021–2022.¹¹ The TA complements the project by strengthening BIWASE's creditworthiness and institutional capacity to provide climate-resilient, sustainable, and affordable water supply services. The TA will (i) provide capacity building on financial management and climate-resilient business and operational planning and (ii) enhance the legal foundation of the business and operational framework between BIWASE and the Binh Duong PPC. Dialogue facilitated between BIWASE and the Binh Duong PPC by the TA will mitigate the risk of delay in future water tariff adjustments. BIWASE will be the executing agency and will provide counterpart support in the form of staff, local data collection and coordination, and other in-kind contributions.

IV. POLICY COMPLIANCE

A. Safeguards and Social Dimensions

24. ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) as follows: environment (category B), involuntary resettlement (category C), and Indigenous Peoples (category C).¹²

25. ADB has undertaken due diligence and reviewed the potential environmental and social impacts of the project and the measures to avoid, minimize, mitigate, and compensate for the adverse impacts in the safeguard reports and plans. The due diligence found that environmental impacts and risks of the ongoing construction of the Tan Hiep WTP expansion are typical of construction activities and will not cause significant adverse, irreversible, diverse, or unprecedented environmental impacts. The WTP and the intake station are in an urban area where ecosystems have been heavily altered by human activities. No historical flooding and extreme weather issues have been recorded in the areas occupied by the WTP and the intake station. Based on the environmental impact assessment approved by the Binh Duong Department of Natural Resources and Environment, the increased raw water extraction is not expected to affect the quality or quantity of water in the Dong Nai River. Public consultations were conducted for the WTP expansion as part of Viet Nam's environmental impact assessment process.

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26. **Effective gender mainstreaming.** While the labor force participation of Vietnamese women is one of the highest in Asia and the Pacific at 73% in 2019,¹³ women still have limited access to formal employment and men are nearly three times more likely to be managers than

¹¹ Attached Technical Assistance Report (accessible from the list of linked documents in Appendix 2).

¹² ADB. [Safeguard Categories](#).

¹³ International Labour Organization. [ILOSTAT database](#). Data retrieved in September 2019.

women.¹⁴ In addition, women are underrepresented in science and technology fields; e.g., only 31% of engineering graduates in Viet Nam are women. **CONFIDENTIAL INFORMATION DELETED**. While BIWASE currently has no policy on increasing its ability to hire, retain, and promote female staff, nor a policy on flexible work arrangements, it is committed to being an equal opportunity employer that provides equal pay and benefits to all employees. Following ADB's Policy on Gender and Development,¹⁵ BIWASE has incorporated measures to promote gender equality and/or women's empowerment in its business activities. The project is categorized as *effective gender mainstreaming*. Key features of the gender action plan are as follows: (i) develop and implement a gender policy that seeks to increase BIWASE's hiring, retention, and promotion of female staff; (ii) develop and implement a flexible work arrangement policy that is applicable after COVID-19 crisis; (iii) increase the number of women in management; (iv) ensure equal representation of women in financial training; and (v) ensure employment of women during construction. BIWASE will submit periodic reports on implementation of gender measures to ADB.

27. BIWASE will continue to comply with national labor laws and, pursuant to ADB's Social Protection Strategy (2001), will take measures to comply with internationally recognized core labor standards.¹⁶ BIWASE will report regularly to ADB on (i) its compliance and that of its contractors with such laws and (ii) the measures taken. Information disclosure and consultation with affected people will be conducted in accordance with ADB requirements.

28. The project will not contribute to the reduction of greenhouse gas emissions.

B. Anticorruption Policy

29. BIWASE was advised of ADB's policy of implementing best international practice relating to combating corruption, money laundering, and the financing of terrorism. ADB will ensure that the investment documentation includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism; and remedies for ADB in the event of noncompliance.

C. Investment Limitations

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D. Assurances

30. Consistent with the Agreement Establishing the Asian Development Bank (the Charter),¹⁷ ADB will proceed with the assistance upon establishing that the Government of Viet Nam has no objection to the assistance to BIWASE. ADB will enter into suitable finance documentation, in form and substance satisfactory to ADB.

V. THE PRESIDENT'S DECISION

31. The President, acting under the authority delegated by the Board, has approved the loan of up to \$8,000,000 from the ordinary capital resources of the Asian Development Bank (ADB) to the Binh Duong Water Environment Joint Stock Company for the Binh Duong Water Treatment Expansion Project in Viet Nam, and the administration by ADB of technical assistance not exceeding the equivalent of \$500,000 to the Binh Duong Water Environment Joint Stock

¹⁴ World Economic Forum. 2018. [The Global Gender Gap Report 2018](#). Davos.

¹⁵ ADB. 2018. [Policy on Gender and Development](#). Manila.

¹⁶ ADB. 2003. *Social Protection*. Manila (adopted in 2001).

¹⁷ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.

Company for Creditworthiness and Institutional Capacity Enhancement to be provided by the Republic of Korea e-Asia and Knowledge Partnership Fund on a grant basis, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with			
Water supply sector developed for urban and industrial areas to contribute to industrialization and urbanization (Adjustment in Development Orientation for Water Supply in Urban and Industrial Area to 2025 Vision 2050) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Adequate and reliable amount of potable water for residents of Binh Duong province increased	By 2023 a. 72,000 new households connected to BIWASE water supply system (2019 baseline: 0 households) (OP 4.1) b. Amount of potable water produced increased by 32.85 million m ³ per year (2019 baseline: 0)	a.–b. BIWASE annual report	Water demand from residential and industrial users is lower than expected
Outputs 1. Tan Hiep WTP water production capacity expanded 2. BIWASE's creditworthiness and institutional capacity enhanced 3. BIWASE's gender inclusiveness improved	By 2023 1a. Additional water treatment unit of 100,000 m ³ /day capacity installed (2019 baseline: 0) (OP 4.1.2) 1b. Total length of new raw water transmission pipes installed increased to 9 kilometers (2019 baseline: 0) (OP 4.1.2) 2a. At least 10 staff (50% are women) of BIWASE's finance department with enhanced skills and knowledge on IFRS reporting (2019 baseline: not available) (OP 4.2.2) 2b. Water service agreement incorporating appropriate performance indicators between BIWASE and the Binh Duong PPC drafted (2019 baseline: no water service agreement) (OP 4.2.1) 3a. At least 80 jobs provided during construction phase, of which 10 jobs are for women (2019 baseline: not available) (OP 1.2)	1a.–1b. Periodic project monitoring report 2a.–2b. Technical assistance completion report 3a. Periodic project monitoring report	Delayed construction caused by force majeure events Prolonged discussion between Binh Duong PPC and BIWASE on the service agreement Delay in approval of water tariff roadmap after 2022

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	3b. BIWASE increases the proportion of women in management to 13 (2019 baseline: 8) (OP 2.3) 3c. Development and implementation of a gender policy that includes increasing hiring, retention, and promotion of female staff by 2021 (baseline: no policy) (OP 2.3.2)	3b.–3c. BIWASE annual report	
4. Support for gender norm change in work–life balance enhanced	4. Development and implementation of a flexible work arrangement policy that is applicable after COVID-19 crisis by 2021 (baseline: no policy)	4. BIWASE annual report	

Key Activities with Milestones

Output 1. Tan Hiep WTP water production capacity expanded

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Output 2. BIWASE's creditworthiness and institutional capacity enhanced

- 2.1. Engage consulting firm (Q1 2021)
- 2.2. Deliver training on IFRS (Q2–Q3 2021)
- 2.3. Deliver training on asset management and equipment maintenance plan (Q3 2021–Q1 2022)
- 2.4. Strengthen province's institutional framework on water supply business (Q1 2021–Q4 2022)

Output 3. BIWASE's gender inclusiveness improved

- 3.1. Monitor gender indicator by contractors (Q4 2020)
- 3.2. Appoint women in management (Q4 2023)

Output 4: Support for gender norm change in work–life balance enhanced

- 4. Draft flexible work arrangement policy (Q4 2021)

Inputs

Asian Development Bank: \$8.0 million (loan)
 Japan International Cooperation Agency: \$8.0 million (loan)
 BIWASE: \$30.1 million
 Republic of Korea e-Asia and Knowledge Partnership Fund: \$0.5 million (TA grant)

Assumptions for Partner Financing

Not Applicable

ADB = Asian Development Bank, BIWASE = Binh Duong Water Environment Joint Stock Company, COVID-19 = coronavirus disease, IFRS = International Financial Reporting Standards, m³ = cubic meter, OP = operational priority, PPC = provincial people's committee, Q = quarter, TA = technical assistance, WTP = water treatment plant.

^a Government of Viet Nam. 2016. *Prime Minister Decision 2502: Adjustment Development Orientation for Water Supply dated 22 December, 2016*. Ha Noi.

Contribution to the ADB Results Framework:

OP 1.2: Jobs generated.

OP 2.3: Women represented in decision-making structures and processes.

OP 2.3.2: Measures on gender equality supported in implementation

OP 4.1: People benefiting from improved services in urban areas. Expected: 252,000, estimated using average household size of 3.5 in Viet Nam.

OP 4.1.2: Urban infrastructure assets established or improved. Expected: One asset.

OP 4.2.1: Measures to improve regulatory, legal, and institutional environment for better planning supported in implementation: Expected: service agreement incorporating appropriate performance indicators based on international best practices.

OP 4.2.2: Measures to improve financial sustainability supported in implementation: Expected: Capacity development programs on financial management and IFRS reporting.

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/FastReport/?id=54074-001>

1. Sector Overview
2. Client Information
3. Details of Implementation Arrangements
4. Contribution to Strategy 2030 Operational Priorities
5. Financial Analysis
6. Economic Analysis
7. Country Economic Indicators
8. Summary Poverty Reduction and Social Strategy
9. Technical Assistance Report
10. Environmental and Social Management System: Audit Findings and Details of Arrangement
11. Gender Action Plan
12. Integrity and Tax Due Diligence