

Government of Vietnam  
MARD CERWASS

Government of Denmark  
Danida

**National Capacity Building  
(MARD-Danida WaterSPS)**

**Sub-Component 1.2:  
Support to Implementation of National  
Rural Water Supply and Sanitation Strategy**

Annual Report 2001

December 2001  
104.Vie.814 - 5



## Key Data Sheet

Country	Vietnam			
SPS	MARD – Danida Water Sector Programme Support (WaterSPS)			
Government Agreement	December 1 <sup>st</sup> , 2000			
Component	1.0 National Capacity Building			
Sub-component	1.2 Support to Implementation of National RWSS Strategy			
File Number	104.Vie.814 – 5			
Implementing Agency	MARD – Centre for Rural Water Supply and Sanitation (CERWASS)			
Report	Annual Report 2001			
Period	January 2001 – December 2001			
Budget in DKK:	Danida	Government	Other	Total
• Grant	12,700,000	Nil	Nil	12,700,000
• Expenditure end 2000	300,000	Nil	Nil	300,000
• Est. Expenditure 2001	1,555,000	Nil	Nil	1,555,000
Budget in million VND:	Danida	Government	Other	Total
• Grant	23,127	Nil	Nil	23,127
• Expenditure end 2000	502	Nil	Nil	502
• Est. Expenditure 2001	2,831	Nil	Nil	2,831
Exchange rate VND / DKK	01/12/2001	1,821	01/12/2000	1,675
<p><b>Progress of National Element and Subcomponent during 2001:</b>  The approved Strategy document is printed in Vietnamese and English and distributed nationwide during the national water week in May 2001. A reprint of 4,000 copies of the Strategy is made in Dec.  MARD's Decision No. 2200 nominating CERWASS to implement sub-component 1.2 of 24/05/2001  IEC thematic group established in CERWASS in August 2001  RWSSCC meetings in Dalat (13-14/09/2001) and Hanoi (5-6/12/2001)  Sub-component inception report submitted to Royal Danish Embassy on 26/10/2001  Progress report no. 1 submitted to Royal Danish Embassy on 09/11/2001  Sub-component work plan and budget for 2002 submitted to Royal Danish Embassy on 30/11/2001  Signing ceremony to establish loan guarantee and grant funds for RWSS in VBARD on 19/12/2001 Initial capitalisation of USD 1 million for investments in Dak Lak, Ha Tinh and Nghe An provinces.  RWSS conference in Hanoi for all 61 provincial CERWASSes on 18-19/12/2001 to debate sector issues</p>				
<p><b>Major Issues to be addressed:</b>  MARD needs to coordinate the assignment of roles and responsibilities to participating ministries as described in the Strategy and as required by Decision 104 of the Prime Minister;  MARD need to formally assign CERWASS with a mandate to coordinate the implementation of the Strategy;  MARD need to allocate funds to CERWASS to expand its present office premises</p>				
Signatures				
Dr. Stephen Greenhalgh Danida Senior Technical Adviser		Dr. Le Van Can National Director		

## 1 Development Objective

The development objective for the national capacity building component is the immediate objective 1 of the WAterSPS which is:

An enabling legislative and institutional framework for sustainable use of water resources and water service delivery with capable staff for its administration and enforcement at central and provincial levels

The development objective remains unchanged.

## 2 Immediate Objectives

The immediate objective of the support to the implementation of the Strategy under sub-component 1.2 of the national capacity building component is:

Assist in the establishment of capability of CERWASS to implement the NRWSS Strategy in a cost-effective manner and in accordance with the overall political and institutional framework and the lessons learned in a number of pilot schemes in selected communes, districts and provinces

The immediate objective remains unchanged however it is enhanced and simplified by rewording it as follows:

A strengthened CERWASS able to coordinate the implementation of the Strategy

## 3 Status

### 3.1 General

The sub-component has made steady progress in its first year of implementation.

The Strategy coordination office has been established within CERWASS

CERWASS has enhanced its organisational structure with the addition of six new thematic units and has moved from a project based to a section based organisation.

The sub-component has supported the development of an IEC framework and an action plan for the National Target Programme for RWSS

The sub-component, in cooperation with the Vietnam Bank of Agriculture and Rural Development, has established loan guarantee and grant funds for RWSS development in the component 2 provinces of DaK Lak, Nghe An and Ha Tinh

The sub-component has established a strong foundation to support the implementation of the Strategy Action Plan in 2002.

### 3.2 Outputs addressed in 2001

*Figure 2.1 Status of Outputs Scheduled During Phase I of Sub-Component 1.2*

Enhanced Narrative	Supplementary Notes	Status
--------------------	---------------------	--------

Description		[December 20 <sup>th</sup> , 2001]
<p><b>Immediate Objective</b></p> <p>A strengthened CERWASS able to coordinate the implementation of the Strategy</p>	<p>CERWASS will coordinate the implementation of the Strategy Action Plan in collaboration with 15 pilot provinces to the end of 2005.</p>	<p>CERWASS will coordinate the work of 5 core provinces to implement the Strategy Action Plan from Jan 2002. Up to 10 other provinces, with large donor support, will also contribute to making the Strategy operational</p>
<p><b>WaterSPS “Output” 1</b></p> <p>Strategy coordination office established in CERWASS</p>	<p>CERWASS has established six new units to develop thematic areas to support the implementation of the Strategy Action Plan and the NTP</p>	<p>MARD give MVND 100 in Dec 2001 for refurbishment of CERWASS</p> <p>Ground floor of CERWASS allocated to WaterSPS supported activities</p> <p>Vehicles registered, drivers hired</p> <p>CERWASS adopt new organisation structure based on sections and not around donors or projects</p> <p>Outline for CERWASS’ Quality Management plan developed</p>
<p><b>WaterSPS “Output” 2</b></p> <p>Awareness and acceptance of Strategy at all relevant levels</p>	<p>CERWASS will conduct regional workshops and assist provinces to develop toolkits to be used to communicate the principles of the Strategy to lower levels.</p>	<p>5,000 copies of Strategy document printed and distributed nationwide. Strategy booklet prepared, 10,000 copies printed and distributed to all provinces.</p> <p>CERWASS facilitated national and regional Strategy workshops to be conducted in Q1 2002</p> <p>CERWASS website in preparation</p>
<p><b>WaterSPS “Output” 3</b></p> <p>Raised awareness of Strategy procedures and the roles and responsibilities of water user organisations at provincial level</p>	<p>CERWASS to develop IEC packages to be used to facilitate the formation of water user groups</p>	<p>Tien Giang &amp; Dak Lak provinces identified as lead resource with workable models</p> <p>Legislation permitting the formation of water user groups is pending</p>
<p><b>WaterSPS “Output” 4</b></p> <p>National Fund for RWSS, established on pilot basis in selected provinces</p>	<p>To support national debate, pilot provincial RWSS funds will be set-up to demonstrate financing principles</p>	<p>Loan guarantee and grant funds for RWSS investments established in Vietnam Bank of Agriculture and Rural Development in Dec 2001</p>

Figure 2.1 Status of Outputs Scheduled During Phase I of Sub-Component 1.2 (contd.)

Enhanced Narrative Description	Supplementary Notes	Status [December 20 <sup>th</sup> , 2001]
<b>WaterSPS “Output” 5</b> Institutional Development, Organisation Strengthening and HRD plans completed	Initial focus on CERWASS, MARD and other national level institutions.	ID study to be finalised by end 2001 OS initiated in CERWASS. AITCV hired to develop HRD plan for 2002
<b>WaterSPS “Output” 6</b> HRD programme implemented	Includes work environment	Activity 1.4 in 2002 work plan
<b>WaterSPS “Output” 7</b> Institutional Development and Organisation Strengthening plan implemented	Initial focus on CERWASS & MARD	ID and OS plans to be finalised in July 2002. Implementation of QM plan to begin after TET 2002 once QM coordinator hired by WaterSPS
<b>WaterSPS “Output” 8</b> New concepts, guidelines and procedures developed and incorporated in design of RWSS projects	Framework for demand responsive projects, based on lessons learnt from “pioneer Strategy projects” (“Output” 9)	Danida and AusAid are supporting activities in 8 provinces to develop demand responsive investments in RWSS at provincial level Activity 6.2: CERWASS and core Strategy Action Plan provinces to develop a framework in Q2 2002
<b>WaterSPS “Output” 9</b> Lessons learnt from the “pioneer Strategy projects” in few communes documented	“Pioneer Strategy projects” implemented during 2000-2001	Activity 6.1: CERWASS to carry out a participatory evaluation in Q1 2002 jointly with donors in core provinces

## 4 Budget and Expenditure

Table 4.1 Approved Budget 2001

Line	Activity	Budget 2001	1	2	3	4	5	6	7	8	9	10	11	12	Balance
122000	Office Costs	350	20	30	30	30	30	30	30	30	30	30	30	30	0
122210	National TA	250			25	25	25	25	25	25	25	25	25	25	0
122220	National Staff	150			15	15	15	15	15	15	15	15	15	15	0
122300	Travel & Transport	100			10	10	10	10	10	10	10	10	10	10	0
122400	Equipment & Cars	500		250					200						0
12	1.2 Operations	1,350	20	280	80	80	80	80	280	80	80	80	80	130	0
222510	IEC & Comm.	200			20	20	20	20	20	20	20	20	20	20	0
222520	Workshops	30						30							0
222550	Training	150						150							0
22	NRWSSS IEC	380	0	0	20	20	20	200	20	20	20	20	20	20	0
62	International Consultants	0													0
89	Contingencies	0													0
	Total	1,730	20	280	100	100	100	280	300	100	100	100	100	150	0

Table 4.2 Rolling Budget 2001

Line	Activity	Budget 2001	1	2	3	4	5	6	7	8	9	10	11	12	Balance
122000	Operational Costs	110	9	9	9	9	9	9	9	9	9	9	9	9	0
122210	National TA	300			30	30	30	30	30	30	30	30	30	30	0
122220	National Staff	130			13	13	13	13	13	13	13	13	13	13	0
122300	Travel & Transport	100			10	10	10	10	10	10	10	10	10	10	0
122400	Equipment & Cars	515							200					250	65
121500	CERWASS HRD	170										25	95	50	0
12	1.2 Operations	1,325	9	9	62	62	62	62	262	62	62	87	407	177	0
222510	Information	130			13	13	13	13	13	13	13	13	13	13	0
222520	Workshops	100						30					30	10	30
22	NRWSSS IEC	230	0	0	13	13	13	43	13	13	13	43	23	43	0
62	International Consultants	0													0
89	Contingencies	0													0
	Total	1,555	9	9	75	75	75	105	275	75	75	130	430	220	0

The rolling budget was reduced by DKK 175,000 from the approved DKK 1,730,000 to DKK 1,555,000. This was due entirely to lower than expected operational costs.

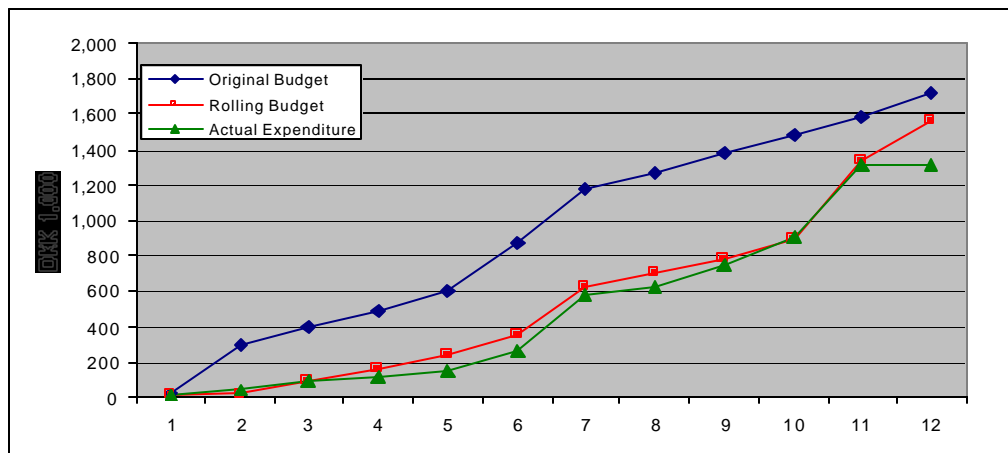
Figure 4.3 Expenditure 2001

Line	Activity	Budget 2001	1	2	3	4	5	6	7	8	9	10	11	12	Balance
122000	Operational Costs	110	7	5	6	6	9	9	17	11	28	9	0	0	4
122210	National TA	300	0	2	2	2	7	53	41	19	23	36	100	0	15
122220	National Staff	130	0	3	3	3	3	22	10	7	11	9	12	0	48
122300	Travel & Transport	100	0	1	4	4	5	16	6	2	9	35	23	0	-5
122400	Equipment & Cars	515	6	6	21	3	5	3	182	0	54	7	156	0	74
121500	CERWASS HRD	170	0	0	0	0	0	0	3	0	5	5	100	0	56
12	1.2 Operations	1,325	13	17	36	18	29	103	260	38	130	100	390	0	192
222510	Information	130	0	0	0	6	8	0	23	0	0	64	6	0	22
222520	Workshops	100	0	17	10	1	0	4	38	0	0	2	0	0	28
22	NRWSSS IEC	230	0	17	10	7	8	4	62	0	0	66	6	0	50
62	International Consultants	0													0
89	Contingencies	0													0
	Total	1,555	13	34	47	25	37	106	321	38	130	166	396	0	242

The actual expenditure in 2001 is expected to meet the rolling budget.

International TA to the sub-component is temporarily debited to component 2 of the WaterSPS. For 2001 it is estimated at DKK 600,000.

Figure 4.4 Cumulative Budget and Expenditure 2001



## **5 Deviations from Plan and Budget**

Adjustments to the sub-component logical framework, five year planning, overall approach and 5 year budgets are described in the sub-component inception report.

The inception report argues that the sub-component is redirected from “a narrow technical assistance to strengthen the capacity of CERWASS to support the development of RWSS in two WAterSPS pilot provinces” to a broader support to CERWASS “to coordinate the implementation of the Strategy Action Plan”. The reason for this change is the substantial progress that has been made in the sector since the formulation of the component descriptions. This is discussed in more detail in progress report no. 1.

The work plan for 2002 reflects this change.

The formation of thematic working groups composed of members from other ministries and mass organisations at national level was heavily emphasised in the Carl Bro technical proposal. The lack of an appropriate mandate for CERWASS from MARD continues to hamper the formation of any such group. Carl Bro specialists therefore continued to provide support mainly to the provinces and pilot districts during the reporting period, where a similar mandate is not as important. The VBARD in Hanoi continues to show considerable interest in working with CERWASS and the WAterSPS.

In 2002 Carl Bro inputs at the central level will increase considerably, well above the level described in the sub-component description.

The introduction of the “EU guidelines for financing of local costs in development cooperation with Vietnam”, no longer permits the payment of salary allowances to GoV staff, even though such allowances are clearly budgeted for in the sub-component description which forms part of the WAterSPS bi-lateral agreement. Notwithstanding the laudable intentions of the guidelines, the effect of this decision should not be underestimated in an environment where such guidelines are not common practice. That the matter occupies most of the minutes of the first meeting of the NSC underlines the importance of this and the negative impact that this could have on progress.

The implementation plan and budget for 2002 takes this situation into account.

There is no significant deviation from the 5 year budget in the sub-component.

## **6 Major Issues for Discussion**

The joint annual review need to raise with MARD the following major issues:

- MARD urgently needs to coordinate the assignment of roles and responsibilities to participating ministries as described in the Strategy and as required by Decision 104 of the Prime Minister;
- MARD urgently needs to formally assign CERWASS with a mandate to coordinate the implementation of the Strategy; and
- MARD urgently needs to allocate funds to CERWASS to expand its present office premises

## **7 Latest review or evaluation**

To date, there has been no review or evaluation of the sub-component.

Carl Bro performed an annual QA audit of their professional inputs to the sub-component and Component 2 during August and September, 2001

The inception report was submitted to the Royal Danish Embassy on October 26<sup>th</sup>.

## **8 Scheduled events for 2002**

The first review of the sub-component will take place in January 2002, as part of the joint annual sector review.

The second Carl Bro QA audit of their professional inputs is proposed for May 2002

The Carl Bro head office manager is scheduled to make three missions to the sub-component in 2002, in March, June and October.

The second review of the sub-component is tentatively scheduled to take place in December 2002, as part of the joint annual sector review.