

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Main report and annexes

Mission Dates: 30 October - 17 November 2023

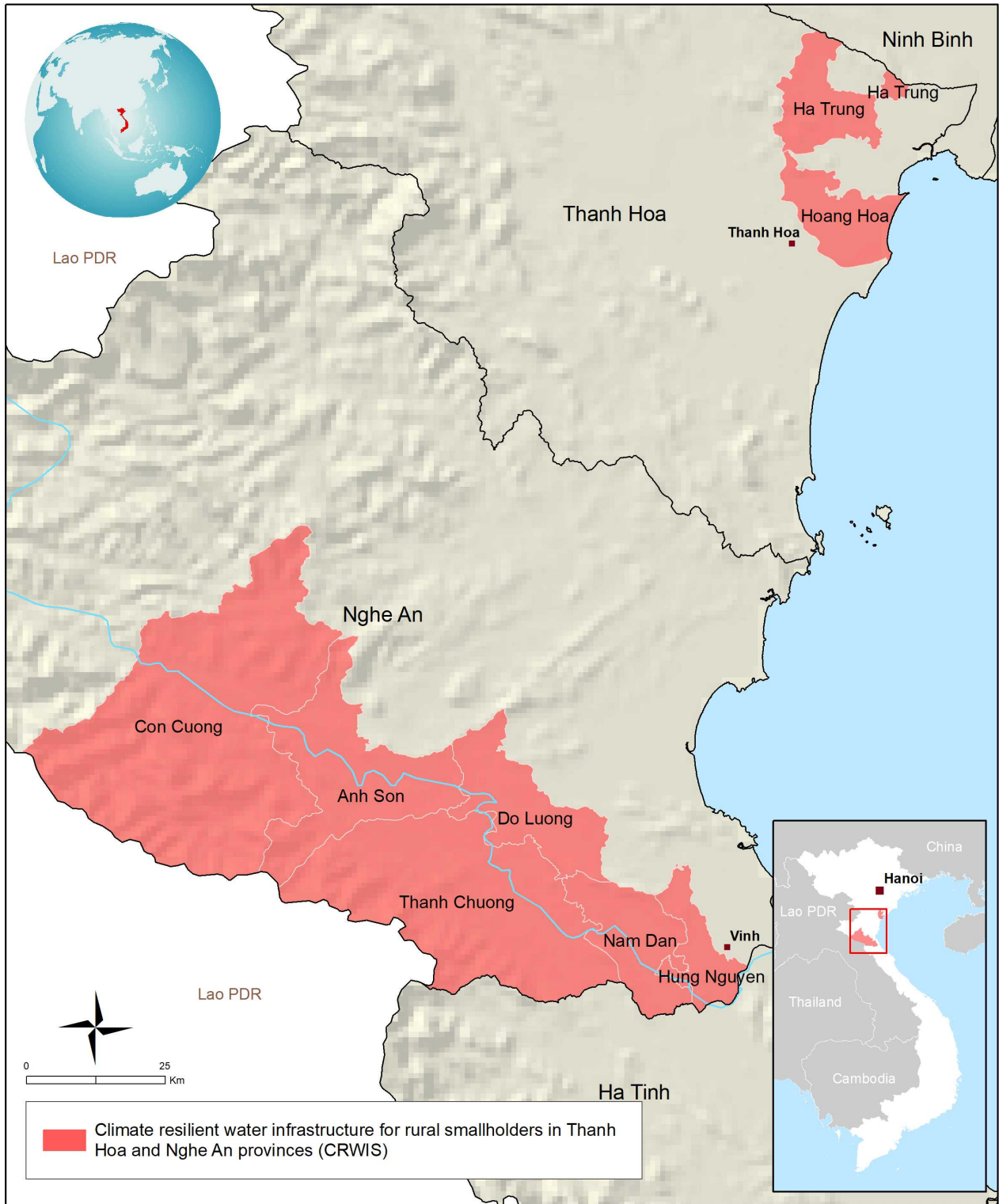
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Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 12-12-2023

Abbreviations and Acronyms

4P	Public-Private-Producer Partnership
ADB	Asian Development Bank
AF	Adaptation Fund
BRAM	Borrowed Resource Access Mechanism
CC	Climate change
CIGs	Common Interest Groups
CIS	Climate Information System
COP	Conference of Parties (to UNFCCC)
COSOP	Country Strategic Opportunities Programme
CRWIS	Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces
CSA	Climate Smart Agriculture
CSAT	Climate Smart Agricultural Value Chain Development in Ben Tre and Tra Vinh Provinces
CSSP	Commercial Smallholder Support Project in Bac Kan and Cao Bang provinces
DARD	Department of Agriculture and Rural Development
DONRE	Department of Natural Resources and Environment
DPI	Department of Planning and Investment
ESCMP	Environment, Social and Climate Management Plan
ESMP	Environmental and Social Management Plan
FA	Financing Agreement
FAO	United Nations Food and Agriculture Organisation
FFS	Farmer Field School
FM	Financial Management
FU	Farmers' Union
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHG	Green House Gases
GoV	Government of Vietnam
IFAD	International Fund for Agricultural Development
IFIA	Innovative Financial Incentives for Adaptation in wetland livelihoods
JICA	Japanese International Cooperation Agency
LMIC	Low- and Middle-Income Countries
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MIS	Management Information System,
MOF	Ministry of Finance
MOP- SEDP	Market-Oriented Participatory Socio-Economic Development Plan
MPI	Ministry of Planning and Investment
MSME	Micro, Small and Medium Enterprise
NAP	National Adaptation Plan
NDCs	Nationally Determined Contributions
NTP- NRD	National Target Program for New Rural Development
OCOP	One Commune One Product
ODA	Official Development Assistance
PBAS	Performance Based Allocation System
PCU	Project Coordination Unit
PDO	Project Development Objective

PDT	Project Delivery Team
PIM	Project Implementation Manual
PMB	Project Management Board
PPC	Provincial People's Committee
PSC	Project Steering Committee
RECAF	Reduced Emissions through Climate Smart Agroforestry
REDD+	Reducing emissions from deforestation and forest degradation in developing countries
SDG	Sustainable Development Goals
SECAP	Social, Environmental and Climate Assessment Procedures
SEDP	Socio-Economic Development Plan
SO	Strategic Objective
TNAs	Technology Needs Assessment
UNFCCC	United Nations Framework Convention on Climate Change
US\$	Dollar
VC	Value Chain
VCAP	Value Chain Action Plan
VND	Vietnamese Dong
WB	World Bank Group
WDF	Women Development Fund
WU	Vietnam Women's Union
WUG	Water User Group

In line with IFAD mainstreaming commitments, the project has been validated as:

Be gender transformative Be youth sensitive Be nutrition sensitive Prioritize persons with disabilities Prioritize indigenous peoples Include climate finance Build adaptive capacity

Executive Summary

Political and economic context. Vietnam has been a development success story. Economic and political reforms have spurred rapid economic growth and development and transformed Vietnam from one of the world's poorest nations to a middle-income country in one generation. Between 2002 and 2022, GDP per capita increased 3.6 times, reaching almost USD 3,700. Economic growth is projected to reach 4.7% in 2023 due to the moderation of domestic demand and the challenging external environment. Growing at 2.5 to 3.5 percent per year over the past three decades, the agriculture sector has supported economic growth and ensured food security.

Poverty and vulnerability context. Vietnam has made remarkable progress in poverty reduction. The proportion of the population living below the national poverty line reached 4.2 percent in 2022, down by over 70 percent from 1993. Vietnam's poor predominantly live in rural, remote, mountainous areas in Vietnam's northern and central uplands. In Thanh Hoa and Nghe An provinces, poverty rate in 2022 stood at 5.2 percent and 6.2 percent respectively; when the near-poor are included, it increases to 11.88 percent and 12.62 percent respectively. Vulnerabilities to climate change and external shocks are prevalent among households with a strong dependence on agricultural incomes and with limited access to water infrastructure, inadequate flood protection, limited access to insurance and risk mitigation mechanisms, and constrained climate informed agro-advisory services to mitigate such risks^[1].

National Institutions. While effective in implementing trade openness, digital transformation, and social inclusion, Vietnam has lagged in implementing other priorities such as green growth, financial inclusion, and infrastructure upgrade. The uneven development has left the country's institutions underprepared to address more complex development challenges. Institutions have become a major impediment to the nation's aspiration to reach high-income by 2045. Vietnamese institutions must be modernized according to the latest Socio-Economic Development Strategy (SEDS) 2021-2030 with more reliance on market mechanisms, rule of law, and contestability through the stronger roles of the national and subnational legislative bodies, the private sector, and the decentralization of several decision processes^[2].

Climate Change. Vietnam is vulnerable to floods, droughts, and typhoons as well as flash floods, landslides, salinity intrusion from sea-level rise and storm surges, heat waves, and cold spells. Vietnam is hit by 6-7 typhoons and tropical storms each year. The main impacts of climate change in Thanh Hoa and Nghe An provinces is manifested through water shortages/uncertain water availability and floods impacting agricultural productivity, rural infrastructure, and local ecosystems, affecting particularly women, the poor and other vulnerable groups. Both provinces have an urgent need to upgrade irrigation, flood protection and rural roads — in addition to incentivizing climate smart agricultural production through training, demonstration and technology transfer and market linkages — to cope with adverse effects of climate change.

Rationale for IFAD involvement. In a 20-year span, from 1999 to 2018, Vietnam experienced 226 extreme weather events resulting in USD 2.019 billion (in PPP) losses. During such extreme weather events (e.g. flood, drought), vulnerable communities experience economic losses, damage to personal property, health impacts and even loss of life. The increasing intensity and frequency of climate shocks and the degradation of the natural resource base (soil, water, forests) upon which agriculture depends has made evident the vulnerability of agricultural production. As a result, rural households are vulnerable to food insecurity and may even fall back to poverty or be pushed into extreme poverty.

Through this proposed project, IFAD is responding to the request of the Government of Vietnam (GoV) to support both Thanh Hoa and Nghe An provinces in renovating and upgrading irrigation, drainage and flood control infrastructure to support socio-economic development and respond to climate change. Nghe An is indeed one of the poorest provinces and is susceptible to extreme climate events. Improved irrigation and flood protection builds smallholder farmers' resilience to both climate and market shocks.

The CRWIS Goal is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socioeconomic development in Thanh Hoa and Nghe An provinces". The Project Development Objective (PDO) is to "Catalyze climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, transform agricultural production and facilitate business linkages in Thanh Hoa and Nghe An provinces for climate-resilient, sustainable and profitable rural livelihoods."

Target Groups and targeting strategy. CRWIS will be implemented through a combination of geographical targeting and direct beneficiary targeting approaches aimed at the most climate-vulnerable communities, including poor and near-poor households, women and other vulnerable groups. The project will adopt an inclusive targeting strategy in the selection of irrigation schemes and pumping stations to be rehabilitated under Sub-component 1.1, with consideration to (1) current climate change vulnerability and future trends, (2) agricultural production/productivity potential, (3) presence of complementary government projects for alignment and synergy, and (4) multidimensional poverty index.

CRWIS beneficiary targeting strategy will be informed by the assessment of the livelihoods, constraints and aspirations of the different target groups of which 50 percent of women and 20 percent of youth including from Ethnic Minorities (where relevant). Direct beneficiaries will be selected from the following socio-economic groups: (i) poor and near-poor rural households, (ii) water-insecure and climate vulnerable smallholder farmers, and (iii) women (including women-headed households) and youth farmers.

Gender Equality and Women's Empowerment: Although Vietnam has made great strides in gender equality and women's empowerment, gender inequalities in agriculture, food and nutrition security are visible in labour markets and decision-making structures, and in access to resources (land, water, technology, finance), markets, leadership and skills training, and agricultural extension services. Additionally, rural women in Vietnam including in Thanh Hoa and Nghe An continue to be burdened with unpaid care work and women's knowledge and skills remain limited when it comes to new technologies. Their vulnerability to climate change is heightened by their greater concentration in the agricultural sector, particularly in subsistence production, and in the informal economy. To overcome these challenges faced by rural women in Thanh Hoa and Nghe An, CRWIS will partner with the Provincial Women's Unions to increase the socio-economic empowerment of rural women including young women and Ethnic Women in the project areas.

Project Components. The project development objective will be achieved through the effective implementation of three interlinked components:

- Component 1: Improved water availability & control through climate-resilient infrastructure development
- Component 2: Integrated water management and climate resilient agriculture
- Component 3: Project management and coordination

Project Costs. The project will be implemented over a six years period. Total project costs are estimated at USD 82.9 million. Physical contingencies amount to USD 2.85 million corresponding to 4% of project base costs, and price contingencies amount to USD 7.19 million corresponding to 10% of project base costs. Investment costs and recurrent costs have been estimated at USD 77.07 million and USD 5.82 million corresponding respectively to 93% and 7% of total costs.

Project financing/ co-financing strategy and plan. The project will be financed by an IFAD loan of USD 45 million over four years of the implementation period (from the 2nd to the 5th year), a grant from the Adaptation Fund of USD 10 million, a counterpart fund from both provinces of USD 14.85 million, beneficiaries' contribution of USD 2,26 million and a financing gap of USD 10.79 million. The ICO has engaged with different bilateral and multilateral agencies including the European Union (EU) which has expressed the interest in potentially co-financing the project, drawing from their human rights funds amounting to USD 26 million for Vietnam. The IFAD loan will exclusively finance infrastructure works under Component 1. The Adaptation Fund grant will focus on "soft activities", especially Component 2. The PPCs will finance the investments taxes (VAT at 10%) and the project implementation activities including engineering and technical feasibility studies (including SECAP requirements, as needed), trainings, workshops, consultancies, travel, meetings, beneficiaries' compensation, studies, design documents, and recurrent costs. The recurrent costs include the operations costs and salaries.

Project Benefits For both Thanh Hoa and Nghe An provinces, the project benefits have been assessed based on the planned investment in each province. The overall project benefits were estimated by combining the benefits from both provinces. The project will impact around 278,000 direct beneficiaries. The cost per beneficiary is around USD 301/beneficiary, while the beneficiary household's cost is estimated to be around USD 1,132/HH. The economic analysis presents a substantial return of the CRWIS' investment, with an NPV of USD 47.9 million and an Economic Internal Rate of Return (EIRR) of 19.1%. The results are also robust to the sensitivity analysis.

Environment, Social, and Climate Risk Category. The environmental and social risk was rated "Substantial" at the PCN stage and will remain "Substantial" following the design mission. The climate risk is "Substantial". The risk rating is primarily influenced by the extent of economic compensation or land acquisition that will be required in Nghe An and Thanh Hoa (i.e., how many households will be affected, how many hectares of private land holdings acquired temporarily or permanently, how many aquaculture ponds will be drained temporarily for dike upgrade, etc.).

1. Context

A. National context and rationale for IFAD involvement

a. National Context

1. **Political, economic and social context.** Vietnam has been a development success story. Economic and political reforms have spurred rapid economic growth and development and transformed Vietnam from one of the world's poorest nations to a middle-income country in one generation. Politically, the government plays a central role in economic planning and resource allocation. Economically, Vietnam has experienced significant growth. Between 2002 and 2022, GDP per capita increased 3.6 times, reaching almost USD 3,700. Thanks to its solid foundations, the economy has proven resilient through different crises. Economic growth is projected to reach 4.7% in 2023 due to the moderation of domestic demand and the challenging external environment. Growing at 2.5 to 3.5 percent per year over the past three decades, the agriculture sector has supported economic growth and ensured food security. It contributed 13 percent of GDP and 29 percent of employment in 2021^[3].
2. Vietnam has made remarkable progress in poverty reduction. The proportion of the population living below the national poverty line reached 4.3 percent in 2022, down by over 70 percent from 1993. More than 40 million people escaped poverty over the period, largely from rapid economic growth that has created more and better jobs^[4].
3. The remaining poor live in rural, remote, mountainous areas in Vietnam's northern and central uplands. Most of the poor belong to ethnic minority groups. In Thanh Hoa and Nghe An provinces, the poor and near-poor households in 2022 stand at 11.88 percent and 12.62 percent of the population respectively^[5]. MOLISA uses the national multidimensional poverty standards to undertake the annual household poverty review, and the methodology might be subject to changes. The latest change occurred in 2021 and affected significantly the number of households classified as poor and near-poor^[6]. Poor households rely on subsistence agriculture and informal sources of income, e.g. small household enterprises and occasional wage employment. Earnings in these sectors are typically variable and tend to be lower than in the formal sector.
4. Vulnerabilities to climate change and external shocks are prevalent among households with a strong dependence on agricultural incomes and with limited access to water infrastructure, inadequate flood protection, limited access to insurance and risk mitigation mechanisms, and constrained climate informed agro-advisory services to mitigate such risks^[7]. In addition, illness, death and external shocks such as loss of employment due to the pandemic or natural disaster can push poor and near poor families deeper into poverty. There are ~300,000 smallholders in the targeted provinces (160,000 in Thanh Hoa province, 140,000 in Nghe An province) who practice fragmented, low investment, risky and less profitable agriculture^[8].
5. **Food security and Nutrition.** Food insecurity is not a major issue in Vietnam, owing to intensification of rice in the Mekong Delta starting in the 1980s. However, some CRWIS riverbank hamlets that do not voluntarily evacuate and are marooned during floods do require food assistance. Vietnamese households, including in CRWIS provinces, cultivate vegetables and fruits which are important for nutrition security. Vietnam scored 67.9 points in the Global Food Security Index, higher than the regional and income group average. It is the stability of food production, including staples, that is challenged by droughts and floods: in Feb-Mar 2016, at the peak of Vietnam's intense El Nino-induced drought and saltwater intrusion, 1.1 million people were food insecure. The total area of land for rice cultivation needs to remain nearly unchanged at least until 2030 for food security^[9]; however, CRWIS provinces already report higher risk of yield loss for summer crops and a reduction in summer cropping area, despite introduction of shorter-maturing and drought-tolerant varieties. Average summer rice yields are reported to be lower by 0.6-2.2 t/ha than winter rice in all target districts.
6. **National Institutions.** While effective in implementing trade openness, digital transformation, and social inclusion, Vietnam has lagged in implementing other priorities such as green growth, financial inclusion, and infrastructure upgrading. The uneven development has left the country's institutions underprepared to address more complex development challenges, many of which are cross-cutting in nature, such as climate change and support of a higher-income society. Institutions have become a major impediment to the nation's aspiration to reach high-income by 2045. Vietnamese institutions must be modernized according to the latest Socio-Economic Development Strategy (SEDS) 2021-2030 with more reliance on market mechanisms, rule of law, and contestability through the stronger roles of the national and subnational legislative bodies, the private sector, and the decentralization of several decision processes^[10].
7. Institutions should be reformed around the five domains including creating a solid institutional anchor that will transform development priorities into concrete actions; streamlining administrative processes to increase the effectiveness of government at all levels; using market-based instruments to motivate public and private stakeholders; enforcing rules and regulations to enhance motivation, trust, and fairness; and engaging in participatory processes that will produce greater transparency and accountability.

b. Special aspects relating to IFAD's corporate mainstreaming priorities

8. **Gender and Social Inclusion:** In 2023, Vietnam has climbed 11 places on the latest World Economic Forum (WEF)'s Global Gender Gap Index over the past year, marking a rise from 83rd to 72nd place out of 146 countries. This is a hallmark of the significant progress made by Vietnam in promoting gender equality in all sectors underpinned by the endorsement or revision of legal frameworks and policies on gender equality and the advancement of women, most notably the Gender Equality Law (2006) and the National Strategy for Gender Equality (2021 – 2030). Nevertheless, gender inequalities in agriculture, food and nutrition security are visible in labour markets and decision-making structures, and in access to resources (land, water, technology, finance), markets, leadership and skills training, and agricultural extension services. Women constitute a critical workforce in agricultural production, especially in rural areas, where 63.4 percent of working women are in agriculture compared to 57.5 percent of working men. Traditionally, women are burdened with unpaid care work and women's knowledge and skills remain

limited when it comes to new technologies. Furthermore, although women are more involved in agriculture, they are also more likely to work on smaller farms and to cultivate subsistence crops such as rice and maize especially in Nghe An province and raise small numbers of livestock (such as poultry, pig and buffalo). In Thanh Hoa and Nghe An provinces, particularly for women from poor and near-poor households, the land size for rice farming areas ranges^[11] from 500 m² to 2000 m². Women's limited access to agricultural advisory and extension services, training and technology transfer is due to various gender-biased social norms, resulting in women's lower levels of education, increased time constraints and limited mobility, among other constraints.

9. Rural Vietnamese women's vulnerability to climate change is heightened by their greater concentration in the agricultural sector, particularly in subsistence production, and in the informal economy. This is manifested in rural women facing high risks of loss from drought and uncertain rainfall, with women in Nghe An and Thanh Hoa reporting a fifty percent decrease in annual rice productivity when droughts or floods occur^[12]. Further, climate change adds to water insecurity, which increases the burden and workload of women involved in small-scale farming, as they spend more time and effort on land preparation, fetching water, watering and managing crops. A high dependency on land and natural resources for livelihood generation by women who are considered poor and from ethnic minority groups makes them more climate vulnerable. Less access to resources, credit, markets and extension services seriously disadvantages poor women and men and limits their coping strategies. In terms of decision-making in the community, women's participation in local People's Committee Councils is significant but still limited: 27.7 % at provincial, 31.3% at district and 29.97% at commune levels in Nghe An and in Thanh Hoa the percentages are 20%, 28.27% and 29.43% respectively^[13]. Women's involvement in local committees for Flood and Storm Control is limited to child-care and food distribution; women tend not to be involved in decision-making^[14]. Even in Thanh Hoa and Nghe An Provinces, the management and decisions of water use were usually led by male group leaders.
10. To overcome these challenges faced by rural women in Thanh Hoa and Nghe An, in line with the Provincial and District Gender Action Plans, CRWIS will partner with the Provincial Women's Unions to increase the socio-economic empowerment of rural women including young women and Ethnic Women in the project areas through setting an overall outreach target at 50% women; and through addressing the current barriers faced by rural women in the two provinces in the domains of economic empowerment, in decision making, in achieving equitable workload balance and in overcoming some of the existing social norms that are currently not in favour of rural women. Specific initiatives include promising adaptation options for women such as creating an enabling environment for more widespread uptake of climate solutions by women, particularly women from poor/near poor groups and women from Ethnic Minority groups; testing new climate innovations based on local needs and opportunities (such as organic farming) to tackle the twin challenges of climate change and gender inequality based on findings of the province specific-gender norms assessment; investing in increasing the collective capacity and knowledge of women and youth to take climate action (through livelihood diversification, new cropping techniques, rain water harvesting and garbage collections); promotion of labour- and time-saving technologies such as provision of water access points and other facilities to ease women's access to water for their vegetable gardens and household drinking and cleaning needs; and training women to be resource persons particularly for greater outreach to women farmers and their uptake of best practices and technologies.
11. **Youth:** Youth are defined as people between 16 and 30 and account for 22.5% of the population: 20.31% and 21.53% in Nghe An and Thanh Hoa respectively. While this unique demography can be an advantage, youth unemployment rates have only increased from 3.5% (2010) to 7.4% (2022); the effect of COVID-19 on young women's employment was worse than young men, particularly because the consequences fell most on sectors employing a large proportion of women.
12. Of the youth in Nghe An and Thanh Hoa, about a third were engaged in agriculture-related activities (34.05% in Nghe An, 32.3% in Thanh Hoa) in 2022, and an equal proportion leave the district or province for employment (34.17% of Nghe An, 27.5% of Thanh Hoa). Thanh Hoa (27.5%) has a higher proportion of youth employed in the industry or service sector, particularly in Hoang Hoa factories, compared to Nghe An (5.95%). Naturally, a higher proportion of youth are employed in Thanh Hoa (87.5%) than in Nghe An (63%). Rural youth engaged in agriculture face multiple challenges, including insufficient capital and awareness of technologies, and limited access to land. Consequently, youth prefer to migrate or work in non-agricultural sectors.
13. In an effort to address unemployment, the government has instituted policies and programmes on vocational training and entrepreneurship. For example, young people can borrow money from the National Youth Union Fund for new start-ups; however, the size of the loans is limited (about 100 million VND, USD 4,217). Nghe An and Thanh Hoa officials are keen to engage youth in high-value agriculture with agri-businesses, and encourage youth participation in ecotourism, traditional crafts, and other activities. There's also potential for youth to be up-skilled in irrigation development and operations and ICT-dependent roles for climate and weather observation and information dissemination. In line with Vietnam's National Youth Law (2005) and the Vietnamese Youth Development Strategy (2011-2020), CRWIS will take a youth inclusive approach that focuses on their economic empowerment to address the challenges identified, in collaboration with the Youth Union. It will support their profitable engagement in on- and off-farm activities, make sure their voices are heard and empower them as agents of change with a total project outreach of 20% youth.
14. **Indigenous Peoples and marginalized groups.** The Ethnic Minorities of Vietnam span 53 ethnic groups, typically live in mountainous areas, midland areas and along the Laos border districts, and face several challenges (e.g., high poverty, high malnutrition, early marriage and high teenage fertility rate), some of which are unique to their geographical location. As a result of low productivity, nutrition insecurity and limited economic opportunities, the risks of Ethnic Minorities falling back into poverty are high when there are economic shocks or natural disasters.
15. Ethnic Minorities constitute about 16.2% of the 2022 Thanh Hoa population (27 different groups)^[15] and 13.5% of the 2022 Nghe An population (39 different groups)^[16]. Screening for IPs in all 61 potential project communes indicated that only Chau Khe commune of Con Cuong district, Nghe An province, has one ethnic group (Thai) in the subproject area.
16. Ethnic Minorities have distinct customary political, cultural, and economic institutions and practices. For instance, people in the

higher elevations may still practice shifting cultivation; some groups prefer all communication in their indigenous language; and so, on More than 81% of EM population is employed in agriculture^[17] with activities spanning crop cultivation, forestry, and livestock. In the post-cultivation season, some EM peoples engage in traditional handicrafts, such as bamboo articles, weaving clothes and ceramic ware. The average monthly per capita income of Ethnic Minorities was only 49% of the national average and 45% of the Kinh people in 2018; however, female-headed EM households consistently have a higher average monthly income than male-headed EM households across groups, rural-urban areas and economic regions^[18].

17. Other marginalized groups in Vietnam comprise People with Disabilities, elderly of poor and near-poor households without caregivers, and people living in disaster-prone areas. For instance, of the 70,498 People with Disabilities, only 1,000 individuals have access to suitable jobs in Nghe An. Several policies and programs therefore prioritize or exclusively target Ethnic Minorities^[19] and marginalized groups^[20] with social protection.
18. **Climate Change.** Vietnam has three climatic zones across its seven geographic regions i.e., *humid subtropical, monsoon climate, and tropical savannah climate*. Due to its complex topography, there is a wide spatial variation in temperature and rainfall patterns. The country is influenced by El Niño Southern Oscillation (ENSO) that drives inter-annual rainfall and temperature variability. While both Thanh Hoa and Nghe An are in the North-central Coast Region, Thanh Hoa falls in the humid subtropical zone whereas Nghe An spans all three climatic types. Thanh Hoa and Nghe An are subject to monsoonal rainfall patterns (NE monsoon – Dec-Mar, SW monsoon – Jun-Sep), and are exposed to tropical cyclones and typhoons. Thanh Hoa’s annual rainfall is around 1827 mm and Nghe An receives about 1969 mm; the dry (winter) season extends from Oct-Apr and accounts for 25% of the annual rainfall, and the rainy season is May-Sep and accounts for 75% of annual precipitation.
19. Vietnam has a high disaster risk and was ranked 91 out of 191 countries in the 2019 INFORM Risk Index^[21]; it is the 58th most climate vulnerable country and 93rd most ready country in the ND-GAIN Rankings^[22]. The country is vulnerable to floods, droughts, and typhoons as well as flash floods, landslides, salinity intrusion from sea-level rise and storm surges, heat waves, and cold spells. Vietnam is hit by 6-7 typhoons and tropical storms each year; between 1990 and 2010, there were 74 flood events. One-third of households in the North-central Coast experienced different forms of severe weather event^[23]. At the national level, average annual loss from disasters is USD 1.9 billion (around 1.3% of Vietnam’s GDP)^[24]. At the province level, as reported by the PPCs, damages from natural disasters in 2021 and 2022 was: USD 2.72 million (M) and USD 27.83 M for Thanh Hoa, and USD 28.6 M and USD 51.8 M for Nghe An.
20. Climate change has already contributed to an increase in temperature of 0.15-0.35 deg. C per decade throughout Vietnam; in fact, for 1971-2010, the rate of warming in Vietnam is reported as being twice the rate of global warming over the same period. Trends in rainfall are mixed and subject to higher uncertainty but the North-central region shows a decline between 1961 and 2011^[25].
21. The main impacts of climate change in Thanh Hoa and Nghe An is manifested through water shortages/uncertain water availability and floods impacting agricultural productivity, rural infrastructure, and local ecosystems. ND-GAIN Index notes that Vietnam has one of the worst scores for projected changes in cereal yields (rice, maize, wheat) under RCP4.5 by mid-century (2040-2069) compared to 1980-2009 baseline. Riverbank erosion due to upstream developments, salinity intrusion from a combination of human (aquaculture, degradation of coastal mangroves) and non-human factors, and landslides in upland areas are climate risks specific to CRWIS’s target districts. Finally, extreme heat and heat waves affect human health and labour as well as livestock and crop productivity through water shortages and increased wet bulb temperatures; by end-of-century and under RCP8.5, an increase in number, length and intensity of heat waves is projected.
22. Thanh Hoa and Nghe An have an urgent need to upgrade irrigation, flood protection and rural roads to cope with adverse effects of climate change. Additionally, since climate impacts are already having a detrimental impact on production of rice and maize through decrease in yields and area under cultivation, farmers, agricultural cooperatives and water user groups require support in the form of (a) technical knowledge on climate-smart agriculture, (b) linkages to markets / finance to support production diversification and increase agricultural incomes, (c) support for investments in mechanization for sustainable intensification of production, (d) timely and actionable advisories based on weather forecasts and climate risks during the agricultural season, and (e) capacity development on water management and operations / maintenance of irrigation infrastructure. Since women, youth, and Ethnic Minorities are particularly vulnerable to climate change, CRWIS will focus on their unique needs, priorities, and inclusion in project activities and decision-making structures. At the policy and institutional level, CRWIS will aim for better integration of climate change trends and forecasts into their planning processes and programs.

c. Rationale for IFAD involvement

23. During extreme weather events (e.g. flood, drought), vulnerable communities experience economic losses, damage to personal property, health impacts and even loss of life. In a 20-year span, from 1999 to 2018, Vietnam has experienced 226 extreme weather events resulting in USD 2.019 billion (in PPP) losses. The increasing intensity and frequency of climate shocks and the degradation of the natural resource base (soil, water, forests) upon which agriculture depends has made evident the vulnerability of agricultural production. As a result, rural households are vulnerable to either fall back to poverty or be pushed into extreme poverty. In particular, rural women are disproportionately affected by climate shocks, with up to 63.4% of the female workforce involved in the agriculture sector, mostly in subsistence farming.
24. IFAD's strategy in Vietnam over the past 30 years has been characterized by thematic consistency, with a focus on supporting the Government's achievement of its key development targets to transform agriculture from subsistence farming to climate resilient market orientation. According to the Agricultural Restructuring Program of the Government of Vietnam in the period from 2021-2030, the transformation of agricultural production is to generate "more from less". It generates more economic value—and farmer and consumer welfare—using less natural and human capital and less harmful intermediate inputs. It relies primarily on increased efficiency, innovation, diversification, and value addition. In the context of CRWIS, transformation of agricultural production will include, inter alia: (i) closing the gap of water productivity through improved irrigation water supply and management; (ii) reduction of eco-unfriendly agricultural production practices, through mainstreaming sustainability standards, natural resource management, and waste management; and (iii) improved value addition through increased compliance with international environmental and social standards, private sector engagement, and market promotion.
25. IFAD has an important comparative advantage as an agent of change in agriculture, rural finance and small scale infrastructure for sustainable inclusive development and in working with poorer and more remote areas in Viet Nam. Through the proposed CRWIS project, IFAD is responding to the GoV's request to support both Thanh Hoa and Nghe An provinces in renovating and upgrading irrigation, drainage and flood control infrastructure to support socio-economic development and respond to climate change. Improved irrigation builds smallholder farmers' resilience to both climate and market shocks by providing them opportunities to expand their businesses (higher productivity, diversification and lower risks) and take charge of their own development, thus contributing to food security, poverty reduction and environmental sustainability. The project goal is to strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces.

B. Lessons learned

26. **ODA Policies.** As Viet Nam has become a lower middle-income country, ODA has become less concessional with the country's graduation from IDA-terms in 2017. GoV has put in place new policies on ODA financing that reflect the new situation, and it is these new policies that will require IFAD to take a wholly different approach to ARD financing in Viet Nam – an approach that cannot replicate many of IFAD's most successful instruments and approaches of the past unless adequate non-lending resources can be mobilized to accompany IFAD and GoV financing, and finance those interventions for which GoV will not borrow. In line with these policies, all IFIs-funded projects can only finance infrastructure-related works contracts. As a result, all soft expenditures, such as consultancy and operating costs, must be funded either by government co-financing sources or from grant resources. This implies that IFAD's engagement strategy in the country has evolved, requiring IFAD to (i) strengthen partnerships with national and provincial authorities and implementation partners, and (ii) secure grant co-financing as a mandatory requirement for new projects. From 2022 onwards, the application of Decree 114 to the ongoing CSSP resulted in a restricted access to the required funding of soft investments and jeopardized the timely implementation of activities. Moreover, one of the CSSP provinces could not disburse funds due to provincial debt ceiling limitations and delays in availing counterpart resources. It would therefore be critical for CRWIS to (i) mobilize grant resources to finance soft expenditures. During the design mission, both provinces assured that CRWIS would not have a disbursement issue due to provincial debt ceiling requirements, as they have enough room to absorb additional IFAD loans. (ii) IFAD will work closely with central and local governments to ensure CRWIS has all necessary provisions in public budgets. And (iii) the project will establish partnership with NTPs to mobilize and converge resources to the non-lending activities.
27. **Effective Project Management** in Vietnam requires: (i) commitment from the Provincial People's Committee; (ii) harmonization with relevant policies, National Target Programs (NTP-NRD, NTP-SPR, NTP-EM), especially through the government's annual planning process for public expenditure (Social Economic Development Planning SEDP) at commune, district and province levels; (iii) early appointment of key PMUs' officers; iv) early planning of infrastructure activities; and (v) regular information exchange and learning among stakeholders and various project management teams in IFAD-funded portfolio within and between provinces and regions to improve project implementation and replication.
28. **Private sector engagement.** IFAD funded projects in Vietnam demonstrated the strong impact of the Public-Private-Producer-Partnerships (4P) approach for poverty reduction. The projects provided matching grants to enterprises that led to farm contracts, higher incomes and employment of poor women. It also confirmed the demand for finance by SMEs and larger private enterprises. In order to engage with small producers, the private sector required, among others, (i) involvement in planning processes for public infrastructure; (ii) support on land allocation for producers and processors; (iii) organization of producer groups and (iv) effective technical support services and business development support. Private stakeholders successfully drive the development of markets and VCs and investment in agriculture input supply, production and processing, including in poor areas, when: (i) legislation and policies are in place that enable private sector activity and strengthen its competitiveness and transparency; (ii) province and district staff have the capacity to promote the private-sector; and (iii) access to finance, business and technical skills and market information is possible.
29. **Women empowerment.** IFAD funded projects generated impressive results for sustainable women economic empowerment, through dedicated women development funds (WDF) under the provincial Women Union (WU), which provided rural women with effective access to savings and loans on a commercial and sustainable basis. Investments were supported with effective technical support services that boosted women's access to technology and knowledge and lastly their socio-economic status and decision-making roles. A continued collaboration with the Women Union will enable a gender empowerment approach across the CRWIS project areas.
30. **Effective climate change and disaster risk management** requires: (i) Adaptation to climate change in high-risk marginalized communities should include "no regret" approaches, i.e. those that have little additional cost in enhancing livelihoods, sustainable agriculture and poverty reduction; (ii) As the poor are the most vulnerable to climate risks as they have insufficient income to absorb shocks and invest in adaptive activities, emphasis on improving their incomes contributes to build their absorptive and adaptive capacities as a viable climate-risk adaptation strategy if their sustainable practices, knowledge and resource are valued and are the drivers of their own development; (iii) Geospatial planning tools can help making the SEDP process a tool for climate resilient investment decision making, and for defining infrastructure needs that facilitate a transition towards resilient livelihoods; (iv) Resource integration in small-scale infrastructure schemes help diversify CSA production systems, reduce disaster risks, and access better market; (v) Capacities of irrigation systems to cope with current weather variability must be enhanced, while remaining sufficiently flexible; (vi) Increased long-term investment in agricultural knowledge and dissemination is important to support farmer adaptation to climate change; and (vii) Incorporation of climate change measures in planning tools (SEDP, VCAP etc.), lead farmers training and value chain finance facilitate adoption and replication.

2. Project Description

C. Project objectives, geographic area of intervention and target groups

31. **Project Goal and Objective.** The project goal is to "Strengthen climate resilience and social inclusion of water-insecure rural communities for a sustainable socioeconomic development in Thanh Hoa and Nghe An provinces". The Project Development Objective (PDO) is to "Catalyze climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, transform agricultural production and facilitate business linkages in Thanh Hoa and Nghe An provinces for climate-resilient, sustainable and profitable rural livelihoods."
32. CRWIS contributes to two out of the three strategic objectives of the 2019-2025 COSOP for Vietnam, revised at midterm in 2023 i.e. SO1: Build pro-poor and stable value chains leveraging significant investments from the private sector, and SO3: Foster the

environmental sustainability and climate resilience of smallholder economic activities. The project will also contribute to the three Strategic Objectives defined in IFAD's Strategic Framework 2016-2025, i.e. SO1 (increased production), SO2 (increased market participation) and SO3 (greater resilience). The Project will be implemented over a six-year period, while the Loan-financed investments (Infrastructure under component 1) will be implemented within 4 years, from year 2 to year 5, in line with Government regulations on ODA.

33. **Geographic Area of Intervention.** The project is targeting the most climate-vulnerable communities in two districts (Ha Trung and Hoang Hoa) in Thanh Hoa province within the Ma river watershed, and six districts (Con Cuong, Anh Son, Do Luong, Thanh Chuong, Nam Dan and Hung Nguyen) in Nghe An province within the Lam river watershed, which are vulnerable to climate change. IFAD-financed interventions will improve irrigation water availability and management for approximately 13,257 ha of agricultural land in Ma river (Thanh Hoa province) and Lam river (Nghe An province) watersheds, and strengthen flood control and prevention for approximately 6,602 ha of agricultural and residential land along the Hoa and Cung rivers (in Thanh Hoa province). Therefore, rehabilitation of water management infrastructure is estimated to directly benefit over 120,000 people in Thanh Hoa Province and approximately 158,000 people in Nghe An. Details on the project communes and beneficiary households are depicted in the table below:

Table 1 – Project Targeted Communes and Beneficiary Households

Districts targeted by CRWIS (*)	Total Number of Communes	Total Population (HHs)	Number of Communes targeted by CRWIS	Total Population targeted by CRWIS (HHs)
Thanh Hoa Province				
Ha Trung	20	33,996	11	19,400
Hoang Hoa	37	62,545	13	12,600
Sub-total	57	96,541	24	32,000
Nghe An Province				
Nam Dan	19	42,511	7	13,800
Hung Nguyen	18	34,325	4	3,600
Do Luong	33	59,359	9	10,600
Thanh Chuong	38	62,149	13	11,500
Anh Son	21	31,058	4	1,100
Con Cuong	13	18,313	1	1,200
Sub-total	142	247,715	38	41,800
Total	199	344,256	62	73,800

(*) Thanh Hoa province has a total of 559 communes in 27 districts with a population of 1,000,579 households, and Nghe An province has a total of 430 communes in 21 districts with a population of 863,388 households.

34. **Target Groups and targeting strategy.** CRWIS will be implemented through a combination of geographical targeting and direct beneficiary targeting approaches aimed at the most climate-vulnerable communities. The project will adopt an inclusive targeting strategy in the selection of irrigation schemes and pumping stations to be rehabilitated under Sub-component 1.1, with consideration to (1) current climate change vulnerability and future trends, (2) agricultural production/productivity potential, (3) presence of complementary government projects for alignment and synergy, and (4) multidimensional poverty index. While an irrigation scheme's command area may not entirely overlap with district or commune boundaries, for the purpose of project management, the district and commune will remain the focus of both Component 1 and Component 2 activities.

35. CRWIS beneficiary targeting strategy will be informed by the assessment of the livelihoods, constraints and aspirations of the different target groups of which 50% of women and 20% of youth including from ethnic minorities (where relevant). Direct beneficiaries will be selected from the following socio-economic groups: (i) poor and near-poor rural households, (ii) water-insecure and climate vulnerable smallholder farmers, and (iii) women (including women-headed households) and youth farmers. CRWIS will develop a gender and social inclusion strategy that is aimed at the empowerment of women and youth (including from ethnic minorities where relevant) informed by province-specific gender social norms assessment to determine women's climate adaptive capacity; Implementation of a Household Methodology for improved gender relations to enhance climate resilience and business skills at household and community levels; Grants for increased climate resilience of poor and near poor women and youth and ethnic minorities; Leadership skills trainings for women and youth leaders of agricultural cooperatives; Capacity building of project implementers on GEWE for increased women's climate adaptive capacity.
36. Other direct beneficiaries will include: (i) Provincial and district public institutions, who will receive support to strengthen policy, sectoral planning and institutional capacities for an integrated and inclusive water management for irrigation and flood control, and to support the development of pro-poor, gender-transformative and climate-resilient value chains; (ii) Public and private service providers of extension services and business development services engaged in promotion of CSA technologies and practices; (iii) cooperatives, water users' entities, and farmer organizations such as Common Interest Groups (CIGs), with priority to those managed by youth and women; and (iv) Producer groups and private actors involved in small-scale processing and marketing.
37. In order to identify poor and near-poor households (including women-headed households), MOLISA's household level assessment of multidimensional poverty (MDP) standards will be used. The underlying assumption for MOLISA MDP indicators is that additional data collection will not be required; the project will use the last available household-level assessment. Since identification of some direct beneficiaries (e.g., water insecure and climate vulnerable households, youth farmers) will require additional data collection (e.g., as described in para 41), it may be possible (based on capacities and resources during implementation) to use participatory mapping approaches, during the planned FPIC process (under SECAP), to map households for beneficiary targeting. In contexts as varied as Honduras, Peru, and India, evidence shows that participatory wealth mapping to identify the poor and vulnerable by community itself performs as well as detailed household surveys (Karlan and Thuysbaert, 2013; Banerjee et al., 2009).
38. MOLISA's approach includes five dimensions and 10 indicators: (i) Health (indicators: nutrition and child mortality, each is weighted 1/6), (ii) Education (indicators: adult education and children education, each is weighted 1/10), (iii) housing (indicators: per person housing area and housing quality, each is weighted 1/10), (iv) Living standard (indicators: water and sanitation, each is weighted 1/10) and (v) access information (indicators: usage of telecom services and assets for accessing information, each is weighted 1/10). Each person who fails to meet the deprivation cutoff is identified as deprived in that indicator. In MOLISA's approach, a person is identified (by Alkire-Foster methodology) as multi-dimensionally poor if the person's weighted deprivation score is equal to or higher than the poverty cutoff of 33.33%.
39. In terms of climate hazards and vulnerability, and according to FAO's Climate and Agriculture Risk Visualization and Assessment (CAVA) and other secondary data; both Thanh Hoa and Nghe An provinces are already subject to higher climate change risks vis-à-vis other regions. In fact: 1) both targeted provinces are currently experiencing extreme temperature anomalies, while 2041-2060 RCP8.5 projections show that such anomalies would continue and increase in magnitude; 2) precipitation extremes appear more pronounced in the North-central Coast (hosting Thanh Hoa and Nghe An) and South-central Coast. MONRE analysis (2016)^[26] analysis shows that North Central region is one of the regions where the change in annual rainfall (%) is projected to be higher than 20% by 2080-2099 and under RCP8.5. Between September and November every year, this region has a larger number of high rainfall events and potentially observe river floods that are accentuated by intense precipitation, steep topography, and lack of water storage options; 3) in terms of drought occurrence and projections^[27], all of Vietnam has experienced agricultural and hydrological droughts between 1979 and 2007, but the frequency of droughts is higher in North Vietnam (including Nghe An and Thanh Hoa). Drought events are projected to increase considerably in North-central and South-central Vietnam by the end of the 21st. The coastal regions of North Vietnam (including Nghe An and Thanh Hoa provinces) are also projected to experience longer drought events contributing to increased agricultural vulnerability.
40. Since MOLISA's multidimensional poverty standards for selection of poor / near-poor households does not sufficiently consider climate vulnerability, additional indicators and thresholds will be needed, such as: natural disasters over the past 3 or 5 years (timeframe to be determined during implementation); OR (b) if household's agricultural plot(s) cannot or has limited access to the in-field (tertiary) canals to mitigate risk of drought – as evidenced by no or limited summer or winter cultivation during the last agricultural season and effect during the last significant drought; OR (c) if household's plot(s) location makes it vulnerable to water release from other rice fields during excessive rains – as evidenced by last significant heavy rainfall or flood event; OR (d) households that are in low-lying areas and have been marooned by floods in the recent past. For Thanh Hoa, salinity intrusion risk in crop or aquaculture ponds will be used as an indicator as needed. Of note, while the data on compensation disbursement to households should be available at the commune level, other climate vulnerability indicators may involve additional discussions for each hamlet to ensure targeting accuracy / efficiency.

D. Components/outcomes and activities

COMPONENT 1. Improved water availability and control through climate-resilient infrastructure development (USD 61.1 million)

41. Component 1 will improve water availability and control in climate-vulnerable agricultural areas through the rehabilitation and upgrade of critical infrastructure and in turn strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces.

42. The project will undertake the rehabilitation of water infrastructure (mainly, pumping stations, main and secondary irrigation canals (I and II)) in both Thanh Hoa and Nghe An provinces for improved irrigation water supply, water conservation and climate resilience. The project will coordinate and provide capacity development to Government-led rehabilitation programmes under NTP NRD targeting on-farm irrigation canals (III and IV) for improved farm level water management and irrigation. This includes gender-responsive capacity building of water users' entities in sustainable and climate-informed community-led water management and maintenance of infrastructure (under Sub-Component 2.1), and improved prevention and control of floods, droughts, saline intrusion, and river erosion. In Thanh Hoa province, the project will undertake the rehabilitation of critical sections of river dikes for flood and saline intrusion protection; and rehabilitation of on-dike roads for strengthened flood protection, connectivity as well as improved access to markets in both provinces.
43. The assets benefiting from CRWIS interventions are public, with management delegated to cooperatives or publicly owned/financed irrigation companies. The main infrastructure (Headworks and main network) rehabilitation/upgrade will fully be financed by IFAD loan, while Operation and Maintenance (O&M), including repair and replacement, will be funded by the PPCs/counterpart funds. At farm level, site specific necessary small-scale interventions (e.g. rehabilitation of earthen tertiary canals; development of field drainage, land levelling, etc.) will be financed by the provinces through mobilization of adequate resources from the relevant National Target Program (i.e. NTP-NRD), while O&M at farm level will continue to be ensured by beneficiaries, through the various water users' entities whose capacity will be strengthened by the project through the counterpart funds. The project will develop adequate hand-over procedures during its implementation and will ensure a smooth asset management transfer and handing over to beneficiaries and will empower communities and strengthen farmer level institutions such as cooperatives, Water Users' entities for sustainable management, operation and maintenance of water related infrastructure.
44. Whilst the range and potential scope of more innovative business models for small scale irrigation infrastructure is generally speaking more limited within the institutional context of Vietnam, for irrigation and water related systems such as these, calculation of return on investment should naturally consider irrigation as the primary use and market integration to support system reinvestment, but also consider a business model that supports multiple uses of irrigation investment multiplying the overall benefits. The infrastructure designed under CRIWS is suitable for multiple purposes, and it is important to consider health and environmental outcomes and an overall reduction in the time that farmers spend on non-productive activities, freeing up their time for other productive uses and care-giving.
45. To enforce economic sustainability, the project focus will be on reducing external investment as much as possible, and through strategic integration with Component 2 match the economic capacity of the communities and be supported by farmers, local and provincial authorities. The project will ensure through the capacity building elements and institutional strengthening of the Nationally Targeted Programmes that farmers have the knowledge and capacity to improve irrigation-scheme productivity, sustainability, strengthening the knowledge and technical expertise of the communities will allow farmers to identify and adopt appropriate technologies and demand more climate change contextual and supportive policies from government. The business model for sustainability will therefore be housed in the critical linkages between components 1 and 2 and include harmonizing the infrastructure with overall governance and business linkages (developed through component 2.2 4P approach) so that small-scale irrigators can be successfully integrated into the market and the broader economy such that they become profitable and food secure. By ensuring these factors the farmers of Nghe An and Thanh Hoa will have the ability and willingness to pay for scheme maintenance and to contribute sufficient labour to properly maintain the infrastructure.

Sub-Component 1.1. Improved access to and efficiency of irrigation for smallholders (USD 48 million)

46. In **Nghe An Province**, 60 pumping stations will be replaced, rehabilitated or upgraded, 121 km of main and branch irrigation canals (I and II) will be lined and more than 98 km of on-farm canals (III and IV) will be upgraded to (i) supply irrigation water to **8,326 ha**, benefiting around 137,000 beneficiaries (35,800 HHs); and (ii) improve water use efficiency and water productivity, contribute to increasing and stabilizing agricultural productivity, and increase farmers' resilience and adaptive capacity to climate shocks. Additional **1,394 ha** of irrigated areas (669 ha in Con Cuong and 725 ha in Anh Son districts) benefiting around 6,000 HHs (21,000 beneficiaries) can benefit from CRWIS investments in terms of rehabilitation/upgradation works if the project financing gap is filled. While the canal lining/concretization will contribute to climate resilience by reducing water losses and make it easier for communities to maintain III and IV on farm canals (potentially by reducing the frequency of dredging needed), the upgrade and/or shifting of pumping stations is a response to climate change and other development stressors on the river basins resulting in inefficient and insufficient irrigation water pumping. These pumps will operate on hydroelectricity and are not expected to increase GHG emissions; while options for solar pumps were discussed, such systems are not practical in the project context.
47. The 60 identified pumping stations and their water delivery canal networks identified for rehabilitation consist of: 1 pumping station in Cong Cuong allowing to irrigate up to 114 ha, 4 in Anh Son (505 Ha), 9 in Do Luong (1555 ha), 22 in Thanh Chuong (2387 ha), 14 in Nam Dan (2986 ha) and 10 in Hug Nguyen (779 ha). These schemes will be upgraded to serve 8,326 ha of fully irrigated command area over 6 of the target project districts and 38 target communes. Currently, the existing defunct schemes (60) are managed either by state irrigation companies (4 companies managing 22 schemes) or by the cooperatives themselves (38). A full monitoring and supervision system will be developed at all levels, i.e. province, district and commune/community level to ensure high quality of construction and timely resolution of challenges and delays.
48. In parallel to primary infrastructure, the project will identify gaps and provide capacity development to Government-led rehabilitation programmes under NTPs-NRD targeting the implementation of at least 98.5 km of on-farm irrigation canals (III and IV) and field drainage.
49. As part of the NTP-NRD, the 38 beneficiary communes identified to date will self-select the necessary scope works for on-farm irrigation through a prioritization process with transparently developed criteria and participatory method. Beneficiary communities will develop their own on-farm canals with main materials provided from the NTPs-NRD capital resources. Interested women,

youth, poor and near poor labour-aged people will be prioritized to participate in the construction works through collaboration with the Provincial Women's Unions and Youth Unions. Cooperatives, commune technical staff and district engineers will be technical human resources to support beneficiary communities during the construction process.

50. In **Thanh Hoa Province**, climate-vulnerable agricultural lands will have access to and control of irrigation water through rehabilitation and upgrade of 7 irrigation schemes pumping stations and primary canals (6 in Ha Trung District and 1 in Hoang Hoa) to supply water to **3,537 ha** of irrigated lands and nearly **860 ha** of aquaculture development land, benefiting 46,194 beneficiaries (17,182 HHs). The schemes are located in 2 districts, 16 communes and are managed by 1 state irrigation company and 6 cooperatives.
51. The project in Thanh Hoa will additionally coordinate and support capacity development of Government-led rehabilitation programmes under NTP-NRD targeting on-farm irrigation canals (III and IV) and small-scale irrigation systems for improved farm level land and water management (under component 2). Based on feasibility studies recommendations, the project will collaborate with the provincial authorities in identifying and selecting new sites for the relocation of some pumping stations, to cope with climate change (current and future effects), mainly in terms of floods and drought.
52. The development of this subcomponent will follow a phased approach. Phasing principles will be around 2 axes: i) the first axis consists in development activities' phasing for each subproject. In this regard, the 4 below activities have been identified and will be sequentially developed under this subcomponent i.e. Feasibility Study, Detailed Design, Construction/Rehabilitation works, and infrastructure works supervision and handing over; ii) the second axis consists in phasing the development of all the water infrastructure and irrigation schemes in 4 years in such a way that the first year will observe the pilot phase consisting in implementing a relatively a small batch of schemes. This will allow careful monitoring of the procurement, implementation and technologies' performance and adequacy, gathering feedback from beneficiaries, and addressing any unexpected issues. Once lessons are learnt from the pilot phase, the project will proceed with the full-scale development phase observing an incremental implementation during the second and third years (third and fourth years of the project).
53. **Activity 1: Feasibility Study** (funded by Government of Vietnam): This mainly consists of hydrological analysis to support the viability of water infrastructure supporting the irrigation schemes in addition to topographic analysis, soil and agronomic assessments, climate change scenarios and risks, and estimation of crop water requirements. The feasibility studies should be conducted for the targeted schemes in full consultation with beneficiary communities. These should include but not limited to: i) Analysis of the targeted watersheds (Lam and Ma), collection and analysis of rainfall and river flow time series, ii) estimation of river flow and sediment transport in current and future conditions especially during the most critical periods of the year corresponding mainly to the lowest and highest water levels/flows under different assumptions of return periods and climate change scenarios (IFAD focuses on RCP8.5, 2040-59). In case of ungauged sub-catchments, the study will develop alternative assessment approaches including modelling or adapted empirical approaches to minimize uncertainties and risk, iii) Considerations regarding existing and planned water abstractions upstream and downstream of the project-targeted infrastructure (with particular focus on the other schemes targeted by CRWIS, being in the same watersheds) and assessment of water balance and adequacy of water flow to satisfy irrigation water requirements at least on monthly basis; and iv) assessment of multi-reservoir regulations, particularly on Lam River. This study would allow the PMU to better prepare detailed designs of the pumping stations, ancillary structures, and the irrigation systems.
54. **Activity 2: Detailed Engineering Design** (funded by Government of Vietnam): Based on feasibility study recommendations, the project will prepare necessary bidding documents for the procurement of services to conduct a detailed engineering design. The detailed design will be carried out by specialized consulting firms competitively recruited, and will have a particular focus on identifying appropriate technical options for sustainable water management and adequate irrigation systems (from head works up to farm level, as required by each specific site/sub-project). The design of water infrastructure should optimize a sustainable balance between investment costs, robustness to the impacts of climate change and extreme events, in addition to simplicity and affordability of operation and maintenance. The PMU will be responsible for Quality Assurance and adequate technical assistance will be mobilized to ensure that designs meet quality standards and support the review and validation processes. The output of this activity will consist in the elaboration of bidding documents inclusive of engineering drawings, Bill of Quantities (BoQ) and cost estimation. The design will ensure capturing innovative and practical water resources and rural infrastructure (WRR) models resilient to climate change and supporting smart cropping patterns with suitable designs adapting to the specific conditions of each sub-project area.
55. Additional analysis related to SECAP will be needed before carrying out the rehabilitation works and during the preparatory phase, including the elaboration of resettlement and rehabilitation action plans to review the compensation for any potential acquisition of public/private land, and/or impacts on farming activities and to mitigate any risk that may arise during site clearance.
56. **Activity 3.a:** The development of headworks and critical water infrastructure (mainly funded by IFAD Loan, and by Grant) across both provinces will be planned in such a way that all works should be achieved within the mandated 4 years, ideally one year before CRWIS completion. The project will procure water infrastructure construction or rehabilitation works from qualified bidders/contractors. Construction or rehabilitation works will be conducted according to the technical specifications provided by the detailed engineering designs (Activity 2) and will be supervised by the PMU and/or the design consulting firm. The construction/rehabilitation process will be flexible to align with ongoing socio-economic and technical requirements, after discussion with the work supervisor, the PMU and community consultations (FPIC). The PMU will play an important role in ensuring Value Analysis and Value Engineering (VA/VE), in controlling the costs of infrastructure through advanced procurement activities, front loading long lead items, avoiding underbidding and subsequent excessive cost variations. The monitoring and supervision system will be developed at all levels, i.e. province, district and commune/community level to ensure high quality of construction works and timely solving of unforeseen issues through the Grievance Redress Mechanism.
57. **Activity 3.b:** Development of on-farm irrigation (III and IV) and drainage systems (funded by Government of Vietnam): The

project will provide capacity development to Government-led rehabilitation programmes under NTP-NRD targeting at least 98 km of on-farm irrigation canals (III and IV) in addition to necessary field drainage system. Thirty-one (31) out of thirty-eight (38) beneficiary communes have been identified to date, and beneficiary communities will self-select works for on-farm irrigation and drainage through a prioritization process, with transparently developed criteria, with a particular focus on inclusivity, climate resilience and participatory method.

58. Beneficiary communities will build their own on-farm canals and field drains with main materials provided from the NTPs-NRD capital resources. In beneficiary communes, youth (working age, above-18 years) represent the main human resources for the workforce; interested women farmers, women-headed households, Ethnic Minority households, and poor and near-poor households will be prioritized for participation in construction works as well. Cooperatives, commune technical staff and district engineers will be technical human resources to support beneficiary communities during the construction
59. **Activity 4: Works Supervision** (funded by GOV and grant) and Handing over. The PMU and the design consulting firm will be in charge of the work Beneficiary communities would also be involved in supervising works at farm level and external technical assistance will be mobilized as needed to deliver practical training on site, for beneficiary communities on basic technical supervision of construction works. Collaboration with the Provincial Women's Unions and Youth Unions will be sought to organize skills training in construction for interested women, youth and other vulnerable groups to ensure they are trained and skilled adequately to garner optimal benefit for their labour.
60. Once construction works are achieved, the contractor will be legally responsible for any defect which can appear in the work during the defects liability period indicated in the contract. A joint inspection of the completed works shall be planned. The final inspection team will consist of the scheme managing entity (irrigation company or cooperative), PMU, contractor, work supervisor, and beneficiaries' representatives. If the final inspection reveals that all construction works have been completed properly (in accordance with the technical specifications, detailed designs and the signed contract), the contractor will preliminarily hand over the scheme/water infrastructure back to the PMU. The infrastructure/scheme must be tested during the defects liability period. If the test run reveals that the infrastructure/scheme is fully functional, the final handing over from the contractor to PMU will take place at the end of the defects liability period, and an asset management transfer agreement will then be signed between the PPC/PMU and the scheme managing entity. This entails the transfer of all responsibilities for the sustainable operation, maintenance and management of the infrastructure to the irrigation company/Cooperative. More details are depicted in the PIM (Annex 8).

Sub-Component 1.2. Improved flood control and livelihoods protection (USD 13.1 million)

61. Under this sub-component (funded by IFAD loan), the project will develop infrastructure for the prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. The project will undertake the rehabilitation of critical sections of two (2) river-dike schemes with a total length of 24.8 km to strengthen the protection of livelihoods of 14,982 householders (57,541 people), and 6,600 ha agricultural and residential lands against the impacts of floods, saline intrusion and river erosion, including 2,990 ha of agricultural lands and nearly 860 ha of aquaculture in 13 communes, 2 project districts and 10 cooperatives.
62. The key outputs of Sub-component 1.2 include: i) Two (2) river-dike schemes (including three (3) dikes) with a total length of 24.8 km will be rehabilitated and expanded, with protective ecological embankment (planting grasses) for stabilization, and dike crest raised to ensure a better protection against the increasing threat of floods and sea level rises; ii) 18 sluices gates under the dykes will be upgraded to ensure adequate drainage water regulation and management especially during flood events, prevent saline water intrusion, and permit safe water intake for agriculture and aquaculture activities developed inside the protected area; iii) In addition to their protective role, the rehabilitated dikes will be wide, paved, and compact enough to serve as access roads providing improved access to markets as well as access to essential services for local communities and farmers; and iv) 9 km of dike-connected service roads benefitting 10,389 householders (41,600 people) and connecting residential areas and market across the dike complex will be upgraded to further support smallholders, facilitate harvesting and marketing of agricultural and aquatic products.
63. The implementation of the dikes' rehabilitation works will follow the same process identified for the irrigation and water infrastructure works under sub-component 1.1 (feasibility study and detailed design, procurement, construction and supervision of works). Additionally, and before carrying out the rehabilitation of dike infrastructure, during the preparatory phase, the PMU, with the support of specialized technical assistance to be mobilized as needed, will review the compensation and any potential resettlement plan for dikes and roads related to any potential acquisition of public/private land and/or impacts on production activities, and to mitigate any risk that may arise during the preparation of dike sites' clearance.
64. In addition to technical supervision resources which will be procured to ensure compliance with Vietnamese Construction Law, the project will support the establishment of community supervision boards and will strengthen their capacities to supervise works by mobilizing adequate technical assistance to deliver practical training, on site. This will target 10 communes in Thanh Hoa Province (2 communes in Ha Trung and 8 communes in Hoang Hoa).

COMPONENT 2. Integrated water management and climate resilient agriculture (USD 13.8 million)

65. This component prepares and assists local authorities and water user entities to optimize and sustain productive use of water resources and infrastructure (developed under Sub-Component 1.1) by providing enabling conditions for water use efficiency and water productivity, increasing and stabilizing agricultural productivity, and strengthening farmers' resilience and adaptive capacity to climate shocks. This comprises (i) strengthening capacity and coordination mechanism of local institutions within watersheds in integrated water management, improving disaster risk management of climate-vulnerable water-dependent communities, (ii) building the capacity of water users in efficient and sustainable management of water supply in agriculture, ensuring effectiveness and sustainability of water infrastructure for smallholder farmers, and (iii) increasing adaptive capacity and profitability of irrigated agricultural business models, strengthening the resilience of rural livelihoods to climate change.

66. Component 2 will directly build on the outcome of Component 1 (improved water availability for irrigated cropping systems and water control in disaster-prone areas) and draw on the lessons learned from similar initiatives in the target Provinces, in other IFAD-funded projects in the country, and generally in the Region. The project will deliver these three outputs through implementation of the following two Subcomponents and relevant cross-cutting activities (planning, M&E, KM, gender and youth mainstreaming).

Sub-Component 2.1. Improved capacity and coordination for integrated water management (USD 5.65 million)

67. Along the Lam/Ca river in Nghe An province, and the Len, Cung, Lach Truong rivers in Thanh Hoa province, forming the CRWIS project targeted area, there are various water users e.g. hydro power plants, factories, irrigations companies, cooperatives, and residents/farmers who have multiple and sometimes conflicting interests in water use. Use of water from one entity might influence others and vice versa. Currently, planning and coordination between and within the various units responsible for water management in those rivers are very limited. This threatens the sustainability of the water resources management, the ecological integrity of the area, and communities' livelihoods. To address these risks, CRWIS will update the Climate Information and Early Warning Systems (CIEWS) as an important input for improved coordination and capacity of water user entities; strengthen local and institutional capacity and coordination mechanism in integrated water resources management; and build capacity of water users for optimization and sustainable use of water infrastructure and resource.

Table 2. Target indicators for Sub-Component 2.1

Result indicators	Thanh Hoa	Nghe An	Total
Number of Districts having updated disaster risk maps	2	6	8
Number of Communes having updated disaster risk maps	24	38	62
Number of water monitoring systems installed or improved	5	10	15
Number of people trained to operate and maintain innovative climate information and early warning systems	4	8	12
Number of people trained to develop and disseminate climate-informed agricultural advisories	50	80	130
Number of people provided with climate information services (CI 3.1.2)	32,000	41,800	73,800
Number of committees established for integrated water management	2	1	3
Number of water regulations proposed	2	1	3
Number of groups supported to sustainably manage water resources and climate-related risks (CI 3.1.1)	30	50	80
Number of people demonstrating an improvement in empowerment (CI IE2.1)	30	50	80
Number of people with new employment opportunities related to CIEWS (CI 2.2.1)	3	7	10

CI: IFAD core indicator

2.1.1. Update district Climate Information and Early Warning Systems (CIEWS)

68. This intervention will ensure provision of timely advisory to support not only local institutions (DPCs, CPCs) for inter-sectoral and inter-district coordination and cooperation in water management, but will also benefit farming households in their planning, decision-making for risk management (what to grow, when to plant or harvest, how to allocate labour, etc.), enabling their capacity to adopt Climate-Smart Agriculture (CSA) technologies and practices.

69. Nghe An province identified building monitoring systems and creating warning maps in areas at risk of floods, flash floods, drought and saline intrusion as priority interventions for environmental protection in the provincial Master Plan for the period

2021-2030. Currently, Nghe An has 53 monitoring points for surface water and will add 5 new ones by 2030. Similarly, Thanh Hoa identified monitoring and early warning systems as a priority area under protection of environment, use of natural resources, disaster prevention and control and climate change response. The Province has 47 river monitoring points and plans to add 7 new ones by 2030 in watershed and pollution-prone areas. CRWIS project will support the existing monitoring network in both Provinces by the upgrade and expansion of 15 river monitoring stations.

70. Updating CIEWS will entail the following activities:

- Development or update of drought, flood and salinity risk maps for Communes and Districts in the project target areas. The project will work with the Vietnam's Institute of Meteorology, Hydrology and Environment (IMHEN^[28]), particularly its Research Center for Agro-meteorology, under MONRE to provide technical assistance and develop interactive maps for identifying vulnerable areas exposed to climate risks / natural disasters and projecting the risks of disaster occurrence considering future climate scenarios for Vietnam. These maps will be developed using existing and free access software such as the Hydrologic Engineering Center's (CEIWR-HEC) River Analysis System (HEC-RAS^[29]) to undertake relevant hydraulic calculations, simulate long-term trends for water flow and provide early warnings using real-time weather data. Capacity building will be provided to relevant divisions under DONRE and/or DARD to operate the software, institutionalise the use of risk maps and package the produced maps for ease of use for the broader audience (DPCs, CPCs, Communities).
- Establishment or upgrade of river monitoring systems: As a part of the feasibility study to be undertaken prior to infrastructure works, the monitoring sites, water quality parameters, monitoring frequencies and adequate monitoring equipment (stream gauge, stilling well, multi-parameter water quality sensors, etc.) will be selected according to the specific context of watersheds and rivers, and tailored to the monitoring goals and capacities of the Districts and Communes (monitoring flash floods and floods, saline intrusion, nutrient pollution, sediments, etc.). Prior to installation, alignment of critical nodes for river monitoring with updated drought, flood and salinity maps will be ensured. The selected infrastructure and/or equipment to be installed will be owned by the DPCs and managed by relevant departments and divisions under DONRE and/or DARD. Capacity building will be provided on operation and maintenance of the infrastructure and equipment
- Support to in-person weekly or bi-weekly meetings between relevant divisions under both DONRE (e.g. hydrology, meteorology) and DARD (e.g. plant protection, aquaculture, etc.) to exchange information on weather, seasonal plans, water quality, and consolidate them into climate-informed actionable agricultural advisories to be disseminated to smallholder farmers through existing and new extension systems.
- Development of a digital information system for large-scale and timely dissemination of early warnings and climate information to local communities in the project target areas, especially the water users. Current channels available to people include printed notices from upstream Districts on water release, regular bulletins (available online) from IMHEN on flash flood and drought warnings, weather, and climate disaster warnings on mass media (TV, radio) and social media groups. The project will develop accessible digital platforms to provide real-time and/or regular (every day, 7 days, 10 days, 14 days) climate-informed actionable agricultural advisories and early warnings on extreme events to local communities, smallholder farmers and other water users including women. MEKONG App^[30] is an example of agricultural platform linked to water monitoring that has been tested in the Mekong delta and could have a potential for upscaling in the target Districts. GOV and UNDP-funded GCF project "Strengthening the climate resilience of small-scale farmers in the Centra; Highland and South-Central Coastal regions of Viet Nam (SACCR)" also includes climate information and agro-climate advisories and is in the planning phase of its implementation. CRWIS, to the extent feasible, will also attempt to coordinate with and build on SACCR – if the SACCR activity is technically supported by IMHEN through its Research Center for Agrometeorology, such coordination may be smoother.

71. Additional co-benefits from this key intervention include (i) building the institutional capacity of relevant divisions under DONRE and DARD to deliver climate information and early warnings, while potentially creating employment opportunities for youth in those innovative technologies, and (ii) strengthening environmental protection by improving natural resources monitoring.

2.1.2. Improve local and institutional capacity and coordination mechanism in integrated water management

72. Building on existing effort of the provincial DARD in promoting the inter-sectoral and inter-district coordination and cooperation in water management, CRWIS will promote a task force or committee in each province consisting but not limited to provincial and district agencies (PPC, DARD, DONRE, DPI, DPC), hydro power plants, irrigation companies, cooperatives, with the objectives to (i) Enhance cooperation between agencies/entities responsible for water management; (ii) Strengthen information flow between agencies/entities regarding water use planning and management, land use, and weather data and climate information for better planning and programming; (iii) Promote understanding of the potential negative impacts of physical developments on water resources and ways of mitigating these, including systematic consideration of complementarities with other projects that involve ecological and nature-based investments; and (iv) Promote understanding of the positive contributions of the better water management to the socio-economic status of communities within the project area.
73. The taskforce/committee will be led directly by the PPC to ensure engagement of all relevant stakeholders at different levels. DARD in close coordination with DONRE will assist PPC to implement this activity. DARD will undertake a capacity needs assessment of the aforementioned agencies and actors to design and deliver a tailored capacity building program on improved inter sectoral, inter-district coordination and cooperation in water planning and management. This involves the assessments of roles and responsibilities of actors in water use and management in target areas, the preparation and integration of the various sector plans (e.g. the Climate Change Adaptation and Disaster Risk Management Action Plans, and the Agricultural development Plans) which inform the development of an operational plan for an inclusive institutional coordination mechanism on integrated water management.
74. The key outputs of this activity are: a) an operational plan for an inclusive institutional coordination mechanism on integrated water management; and d) local institutions with strengthened capacity in water management and planning. The operational plan, which is formed as a legal basis, sets milestones and actions for the taskforce/committee to operate. This ultimately

contributes to (i) enhancing cooperation between agencies/entities responsible for water management; (ii) strengthening information flow between agencies/entities regarding water use planning and management; (iii) promoting understanding of the potential negative impacts of physical developments on water resources and ways of mitigating these; and (iv) promoting understanding of the positive contributions of the better water management to the socio-economic status of communities within the project area.

2.1.3. Improve capacity of water users for inclusive irrigation water management

75. Complementary to the strengthened institutional capacity under Activity 2.1.2, this activity aims to build the capacity of local water users in the project areas in efficient and sustainable management of irrigation water supply, enhancing productivity and profitability of irrigated farming and ensuring effectiveness and sustainability of irrigation operation and maintenance.
76. Formally, management of irrigation systems is vested in irrigation companies, cooperatives, and villages (hereafter call water user entities). Irrigation companies manage inter-district, inter-commune pumping stations, and headworks and secondary irrigation Cooperatives or villages manage within commune pumping stations, and tertiary and on farm canals. Water user fee is highly subsidized (free of charge, in theory) and operational fee is fully subsidized by the Government of Vietnam. Fees for repairing and maintenance of irrigation systems are in the hands of water user entities that require mobilization/contribution from water users. The current irrigation systems are deteriorated because of long time of use (some from 1970s/1980s)) but also lack of proper management and finance for maintenance and repair.
77. CRWIS will strengthen the capacity of these entities to ensure that they fulfil their mandate adequately for water supply and intensify the use of their irrigation systems, and to ensure the sustainability of all improved water infrastructure. Doing so includes: (i) preparation of internal rules and regulations; (ii) facilitation of inclusive dialogues at communes and village levels to establish clear and equitable regulation on water use, and ensure climate information is fully considered in seasonal planning and within-season decision-making; (iii) improving/setting-up accounting system to ensure recovery of operation and maintenance (O&M) costs, and anticipating and budgeting for unexpected repair costs; (iv) agreeing on routines and responsibilities for operating and maintaining irrigation infrastructure, including frequency of inspections and cleaning; (v) setting up leadership quotas for women in cooperatives and setting a minimum quota for women's participation/membership in these water user entities (vi) subsequent gender-responsive capacity building in sustainable and climate-informed community-led water management and maintenance of infrastructure. Finally, communities will be encouraged to improve their waste management plans, particularly solid waste to reduce pollution and blockage of upgraded canals.
78. Water users will be trained on operation, maintenance and system adaptation, on rules and on administration. Mobilization of sufficient fee for irrigation system O&M will be among the key topics for training, discussions, and hence implementation. The capacity building spans the full project period, starting with formal training in the first and second years and on-the-job coaching in subsequent years. Exchange visits between water user entities will provide the opportunity to learn from entities with advanced management capacity. Training will be provided by PMU, DARD staff with assistance of outsourced experts on O&M and irrigation agronomy, and collaboration with the Provincial Women's Unions and Youth Unions on gender and social inclusion. CRWIS will target at least 80 water user entities (companies, cooperatives, villages) in eight districts of Thanh Hoa and Nghe An sustainably managing water resources.

Sub-Component 2.2. Strengthened resilience of smallholders' agricultural businesses (USD 8.15 million)

79. This Sub-Component aims to increase adaptive capacity and profitability of irrigated agricultural business models, thus strengthening the resilience of rural livelihoods to climate change. This output will be achieved through two key interventions: (i) improving smallholder farmers' productivity and resilience through upscaling of CSA knowledge; and (ii) establishment of public-private-producer partnership (4P) platforms to facilitate business linkages and integration of smallholder farmers in agricultural value chains.

Table 3. Target indicators for Sub-Component 2.2

Result indicators	Thanh Hoa	Nghe An	Total
Number of Communes organising participatory selection of CSA models	24	38	62
Number of people involved in participatory selection of CSA models	720	1,110	1,830
Number of people participating in CSA exchange visits	48	74	122
Number of tailored CSA guidelines with actionable decision-support for smallholder farmers developed by the project	6	18	24

Number of people trained to provide rural extension and advisory services	240	370	610
Number people trained in production practices and technologies (CI 1.1.4)	32,000	41,800	73,800
Number of farmers whose awareness on the climate and economic vulnerabilities of their current practices increased thanks to the project	32,000	41,800	73,800
Hectare of land brought under climate-resilient practices (CI 3.1.4)	6,000	8,000	14,000
Number of households receiving CSA support as inputs, equipment or small-scale infrastructure	6,000	11,000	17,000
Number of functioning multi-stakeholder platforms supported (CI Policy 2)	3	4	7
Number of rural producers' organisations supported (CI 2.1.3)	30	50	80
Number of households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI 3.2.2)	6,000	11,000	17,000
Number of rural producers' organisations engaged in formal partnerships or contracts with public/private entities (CI 2.2.3)	10	15	25
Number of existing/new laws, regulations, policies or strategies proposed to policy makers (CI Policy 3)	3	2	5
Number of people with new employment opportunities related to facilitated business linkages (CI 2.2.1)	20	30	50

CI: IFAD core indicator

2.2.1. Upscale Climate-Smart Agriculture knowledge to improve smallholder farmers' productivity and resilience

80. The combined effects of improved access to water supply and timely climate information, better planning and coordination at the landscape level to reduce risks, as well as increased market opportunities and business linkages will create an enabling environment for agricultural transformation and strengthen the climate resilience of rural livelihoods. Climate-Smart Agriculture (CSA) technologies and practices will improve farmers' productivity and resilience to climate, environmental and economic shocks.
81. CSA revolves around three pillars, namely i) sustainably increasing agricultural productivity from crops, livestock and fish, to contribute to achieving food and nutrition security, as well as higher incomes; ii) adapting to climate change, with a focus on reducing exposure to short-term risks, enhancing capacity to adapt and develop in the face of shocks and long-term stresses; and iii) reducing and/or removing greenhouse gas emissions where possible. Lessons learned from other initiatives emphasize that: (i) having a clear idea of what farmers need and want is important not only for scaling up processes but also for transition to and sustained uptake of new practices; (ii) new technologies and practices take long time to be adopted by farmers (up to 3 or 4 years of continued capacity building and awareness campaigns); and CSA technologies and practices may take relatively long periods of time before benefits arise (e.g. improving organic matter and [water holding capacity](#) in soils, planting trees and managing landscapes). The project will address these lessons learned by emphasizing on participatory approach to ensure farmers' needs and interests are well captured during the selection process of CSA models and VCAP, conducting a mapping and assessment of agricultural models and their feasibility, and ensuring CSA capacity building covering various topics will be provided continuously to farmers throughout the entire project implementation period.
82. To ensure uptake and sustainability of the proposed CSA models, CRWIS will undertake the following key interventions:

- Mapping and in-depth assessment of agricultural models adapted to the agro-ecological, climatic and socio-economic context of the targeted communes and districts, by capitalizing evidence-based models from research, empirical farmer knowledge and other development projects' success stories, combined with undertaking multi-stakeholder surveys. This will be led by DARD in the first year of implementation through a dedicated technical assistance, in parallel and closely linked with the feasibility studies for value chains. The project could apply the climate smart agriculture rapid appraisal (CSA-RA), a mixed method approach that draws on participatory bottom-up, qualitative, and quantitative tools to assess the heterogeneity of local contexts and prioritize context-specific CSA options. Focus will be on identifying CSA practices, technologies and services adapted to smallholder farmers including women and youth farmers in the targeted project areas. The output is to develop tailored CSA guidelines, with actionable and feasible models for smallholder farmers to support their decision-making, and highlighting potential loss, gain or risk associated with the proposed CSA models.
- Inclusive climate action planning and participatory selection process of CSA models at village and commune levels. The project will raise awareness of farmers including women and youth farmers on the climate and economic vulnerabilities of their current practices, use the developed CSA guidelines to propose adaptation alternatives and facilitate planning and selection process of CSA models at local level. DARD will lead this intervention in coordination with Farmers' Union, Women's Union, Youth Union and Cooperative Alliance to support farmer organizations (cooperatives, villages).
- Rural extension and advisory services (REAS) in CSA. To build the farmers and farmer organizations' capacity in implementing their selected CSA models, REAS will be provided as gender sensitive and socially inclusive trainings and capacity building through existing channels at local level (Farmer Field Schools, extension services provided by agricultural extension officers or cooperatives, etc.). DARD will lead this intervention in coordination with Farmers' Union and Cooperative Alliance to support farmer organizations (cooperatives, villages).
- Upscaling CSA models through community-based technologies and investments. To pilot innovation and de-risk the adoption of CSA models by smallholder farmers, especially when it entails (i) transforming from a subsistence farming approach to market-oriented one, (ii) switching from a less productive and/or more vulnerable commodity to a higher value and/or more resilient commodity, or (iii) adopting an improved and innovative technology or practice, the project will provide CSA support in terms of community-owned and managed equipment (tractor attachments such as direct seeders, laser land levelers, etc.), small-scale technologies for climate-resilient and sustainable production (net houses for vegetable growers, compost turners, drip irrigation, etc.) and inputs (stress-tolerant and high-quality seeds and seedlings, compost turners for organic manure, animal feed, etc.) to the most climate-vulnerable and/or poor households. This CSA starter support is intended to be a one-time support and the following years, beneficiaries are expected to contribute through their own investments to sustain the CSA models. A dedicated capacity building on operation and maintenance will be provided to the recipient communities to sustainably manage the CSA equipment and technologies. PMU will define a specific targeting strategy and a guideline for the provision of CSA support per commune in line with the CSA models selected by the communities, approved by the PSC, and in compliance with national regulations and eligibility for grant-financed interventions while considering the specific needs of women, young farmers and poor and near-poor households. Additionally, the project will invest in nature-based solutions for environmental protection (ecological embankments, native tree planting / natural forest management, improvement of degraded uplands, etc.) to strengthen communities' resilience to landslides and river erosion.

2.2.2. Increase smallholder farmers' income from facilitated business linkages

83. Improved water productivity (component 1), water user capacity (sub-component 2.1), agricultural productivity (Activity 2.2.1), and agricultural sales and values are the objectives of agricultural transformation. This output aims at improving agricultural sales and values by smallholder farmers. It involves improving and enhancing selected value chains (VC) that are key for the project area, through the use of Public Private Producer Partnerships (4Ps) which will improve market access, climate adaptiveness, and ensure increased income for smallholders in the value chains. Value chains provide a mechanism for linking multiple actors around a common objective by creating space for dialogue, knowledge exchange and capacity building, and strengthening negotiation capacities, and can act as a delivery mechanism for government and private extension services, credit, and subsidy programmes. Agricultural value chains provide market-driven demand that support and enhance adoption of improved technologies and practices. All contribute to creating jobs for farmers, especially women, youth.
84. The value chain studies with subsequent value chain action plans (VCAP) will identify interventions that offer higher income potential, are inclusive of poor, women and youth, can be adapted to climate change and can be linked to private sector and/or off-takers. The inclusive multi-stakeholder 4P platforms (4Ps platforms) will improve value chain governance by enhancing coordination and strengthening relationships between actors in selected value chains with a particular focus on addressing the future challenges of climate adaptation. The project will work closely with NTPs and OCOP to mobilize/converge their investments in the sub-component.
85. Market and climate sensitivity assessments conducted during the design for potential agricultural commodities within the eight project districts of two provinces followed by consultations with various stakeholders inform an initial selection of two gender sensitive value chains (rice and vegetables). Additional ones will be selected during the first year of project implementation. The criteria for the priority selection includes the following: (i) availability of inputs (e.g. land, stress-tolerant and high-quality seeds, organic inputs); (ii) potential for competitiveness; (iii) potential for expansion (price or produced quantity); (iv) added value for the target group; (v) potential for scaling (e.g. farming contract, OCOP); and (vi) cross-cutting issues (gender, youth, vulnerable groups, environment, climate impact).
86. In the first year of the project, feasibility studies will be conducted for the selected value chains. These studies will evaluate the roles and responsibilities of VC actors, private sector and community interest in VC development, market demand, and potential collaborating buyers. Based on the feasibility study results, the project will prepare concise value chain action plans (VCAP) including mapping of commodity actors, processes, the added value at each link, and an initial identification of bottlenecks/ challenges and opportunities. The VCAPs will identify interventions that offer higher income potential, are inclusive of poor and near-poor households, ethnic minorities, women and youth, are adapted to climate change and that can be linked to private sector technical support and/or off-takers either through producer organizations, cooperatives or lead farmers.

87. To improve value chain governance by enhancing coordination and strengthening relationships between actors within selected value chains as well as mobilize financial resources (NTP, OCOPs, other programs, private sector) to value chain investment, the 4Ps platform will be organized at each project district. The 4Ps consists of relevant stakeholders within a value chain, including farmer representatives, farmers' and private sector organizations (including identified business partners), government representatives, traders, processing enterprises, input suppliers, consumer representatives, and financial institutions. Expected results of the 4Ps include improved networking and coordination for tangible results like higher producer prices, improved market transparency, trade contracts or product branding, farming contract, and partnerships. 4Ps are flexible in view of composition and agenda and can change over time according to participants' perception of problems and relevance of the platform. The main measured output will be the number of events organized in the framework of multi-stakeholder platforms. Most 4Ps interventions will in the given context fall under the categories: (i) Improved market transparency and market information; (ii) Improved linkages between value chain (VC) actors in terms of number and quality; (iii) Improved access to value chain financing, including access to credit, to national target programs (NRD, Sustainable Poverty Reduction, Ethnic Minority), and OCOP; (iv) Joint and coordinated action; (v) Enabling framework conditions for trade and commerce; (vi) Mutual understanding between VC actors and conflict resolution; (vii) Goal-oriented capacity development of VC actors; and (viii) Sector advocacy and support to local government agencies to solve specific bottlenecks.
88. Apart from 4P meetings, follow-up action is organized flexibly, including break-off sub-committees and bilateral communication with key stakeholders. The PMU's ability to understand the context, to proactively interact with relevant actors and to organize and facilitate meetings and events is decisive for the success of the 4Ps. When promising interventions have been identified, and stakeholder commitment has been ensured, collaborative action is planned for. Bilaterally or in subgroups, detailed action plans are developed, resources, support and stakeholder contributions are secured. It is important to find a good balance applying timely and consequent follow-up and close involvement of stakeholders, but without overstretching their capacity.
89. It is not expected that the 4P platforms turn into formal public organs – the expected main outcome of the platforms during project duration is increased awareness and ability for networking and coordination. However, during implementation, it should be discussed with local governments at district and provincial level, and with relevant stakeholders, whether there is local commitment to continue the dialogue and exchange (e.g. through NTPs, OCOP) that has been promoted by CRWIS, and how future activities should be organized.
90. Considering the country context and the nature of the project, the project will create a very limited number of job opportunities (permanent ones, not counting temporary employment from infrastructure works), mainly related to Component 2. For instance, (i) updating Climate Information and Early Warning Systems in the targeted districts is expected to create some high skilled job opportunities related to innovative technologies for youth, such as operating the software to produce interactive hazard risk maps, maintaining the digital system for timely and large-scale dissemination of climate information, or operating and maintaining new/updated river monitoring systems. (ii) Through upscaling CSA knowledge, the project is expected to strengthen the institutional capacity to provide tailored agricultural advisories and rural extension services to farmers, which can expand the need for human resources to ensure last-mile delivery. (iii) By facilitating business linkages between cooperatives and private sector, the project will expand the productive capacity of either parties which can also create some new employment opportunities within the involved cooperatives and/or rural enterprises. Moreover, the development of agricultural value chains, enabled by dedicated 4P platforms, will be indirectly promoting youth agripreneurship, which will create to some extent sustainable job opportunities.
91. Through the establishment of task forces on integrated water management and 4P platforms on agricultural value chains, the project will contribute to the development and/or update of laws and regulations on water at landscape level, as well as policies and strategies such as Value Chain Action Plans for the targeted Provinces and Districts.

COMPONENT 3. Project Management and Coordination (USD 8 million)

92. Component 3 is not a technical component and is not considered a separate element of the project, nevertheless, all project management, monitoring and evaluation, learning and knowledge management activities are grouped under this heading in the project cost tables, AWPB and PP. Details on the activities are provided under the following PDR sections on implementation.

E. Theory of Change

93. CRWIS will address the underlying challenges hampering the socio-economic development of water-insecure and climate vulnerable rural communities in Thanh Hoa and Nghe An provinces, with particular attention to transforming unequal social norms affecting women and youth. Inclusive rehabilitation of critical water infrastructure will strengthen smallholders' adaptive capacity to climate risks because it will result in improved water availability and control (outcome 1) by protecting their productive assets, improving their mobility and physical access to markets and services, and providing them with opportunities to diversify production, and increase and stabilize yields. By improving the capacity and coordination mechanisms of local institutions in integrated water management and strengthening resilience of smallholders' agricultural businesses (outcome 2), the project will i) improve livelihoods resilience by enhancing the enabling environment for improved access to climate information, efficient water resources management, and increased engagement of rural women in decision making ; ii) ensure the sustainability of the gains from the infrastructure investments, improve smallholder farmers' productivity and resilience through upscaling of CSA knowledge, and increase smallholder farmers' income from facilitated business linkages with the private sector supported by effective public-private-producer partnerships (4P).
94. Promotion of gender transformative outcomes and the enhanced inclusion of women and young smallholders will be specifically achieved by creating unique opportunities for changing discriminatory gender norms and imbalanced power relations and by fostering favourable conditions for these groups, including through engagement with water user groups and increased institutional support for gender equality and women's empowerment. The support for women's inclusion through the implementation of gender transformative approaches is also expected to strengthen their standing and voice in their households and communities, thus leading to greater women's empowerment.
95. The TOC is built on the assumptions that: (i) surface water in the selected sub-projects is sufficient to ensure adequate water supply for the targeted irrigation schemes, downstream users and minimum environmental flow in the target watersheds; (ii) the current institutional framework is allowing water users' entities to implement community-led water management for both large-scale public infrastructure and on-farm irrigation schemes; (iii) policy dialogues within 4P platforms will result in effective and actionable outputs for value chain development; and (iv) capacity building on CSA technologies and practices combined with an enabling environment and market opportunities will translate into adoption and replication of profitable business models by smallholders.

F. Alignment, ownership and partnerships

96. **Alignment with SDGs.** CRWIS will contribute to various Sustainable Development Goals (SDGs). Promotion of sustainable and resilient agricultural practices and access to water for irrigation can improve agricultural productivity contributing to food security and reducing hunger (SDG 2: Zero hunger), and leading to increased income for farmers and helping to lift people out of poverty (SDG 1: End Poverty), reducing inequalities in income (SDG10) and contributing to empowering women in economic participation and decision making (SDG 5: gender equality). Efficient water supply and sustainable water management would enhance access to water and contribute to SDG 6 (Clean Water and Sanitation). Improved irrigation can lead to enhanced work conditions and reduced farmers' burden, increased agricultural productivity, and creation of job opportunities in the agricultural sector, contributing to economic growth. (SDG 8: Decent Work and Economic Growth). Efficient water use in agriculture and building farmers capacity to manage irrigation water would support sustainable and responsible production practices, aligning with the SDG 12 goal (Responsible Consumption and Production). Sustainable irrigation management and efficient irrigation water use, in addition to CSA practices, all contribute to combating climate change impact and strengthening climate resilience (SDG 13: Climate Action).
97. Alignment with the United Nation Sustainable Cooperation and Development Framework (UNSCDF) Vietnam for the period 2022-2026. CRWIS objectives and outcomes are well aligned with three Cooperation Framework outcomes including: (i) Outcome 1. Inclusive Social Development (SDGs 1-6): By 2026, people in Viet Nam, especially the poor and those at risk of being left behind, will benefit from inclusive, gender responsive, disability-sensitive, equitable, affordable and quality social services and social protection systems, will have moved further out of poverty in all its dimensions and will be empowered to reach their full potential; (ii) Outcome 2. Climate change response, Disaster Resilience and Environmental Sustainability (SDGs7,11,13-15). By 2026, people in Viet Nam, especially those at risk of being left behind, will benefit from and contribute to a safer and cleaner environment resulting from Viet Nam's effective mitigation and adaption to climate change, disaster risk reduction and resilience building, promotion of circular economy, the provision of clean and renewable energy, and the sustainable management of natural resources; and (iii) Outcome 3. Shared prosperity through Economic Transformation (SDG 8-11, 12,17). By 2026, people in Viet Nam, especially those at risk of being left behind, will benefit from and contribute to a more just, safe and inclusive society based on improved governance, more responsive institutions, strengthened rule of law and the protection of and respect for human rights, gender equality, and freedom from all forms of violence and discrimination, in line with Viet Nam's international commitments.
98. **Alignment with national priorities.** CRWIS is fully aligned with the Government's strategic goals in three key development areas: (i) enabling market-led rural development, (ii) advancing access of the poor to commodity and labour markets, and (iii) enhancement of rural poor capacity to adapt to climate change. These are articulated in the Vietnam Socio-Economic Development Plan (SEDP) 2021-2025 and the Vietnam Socio-Economic Development Strategy (SEDS) 2021-2030, and the Agriculture Restructuring Programme.
99. CRWIS provides the means to implement the Law on Gender Equality (2006) that empowers women in economic participation and decision making, and the Youth Development Strategy 2021-2030 that promotes vocational training and employment. CRWIS is also fully aligned with Nationally Determined Contribution (NDC) and National Adaptation Plan (NAP) by increasing resilience to climate change through adaptation processes in the most vulnerable communities and access to technology and finance for climate change adaptations.

100. CRWIS harmonizes its activities with the National Target Programme for New Rural Development (NTP NRD), National Target Programme for Sustainable Poverty Reduction, and National Target Programme for Ethnic Minority, One Commune, One Product (OCOP) and provide inputs to National Climate Change and Green Growth policy frameworks, with the aim of scaling up accumulated knowledge and best practices at national level. The areas of harmonization include: (i) the socio-economic development planning (SEDP) mechanism at district and commune level for identification of needs, and prioritization and selection of investments; (ii) the development of market options to help realize the new rural areas; (ii) creating the needed mindset change at the household level and (iii) building capacity to carry out the envisaged planning activities.
101. CRWIS will support the implementation of the NTPs by incorporating some of the NTP targets, supporting the development of market options to help realize a new rural area, creating the needed mindset change at the household level, and building capacity to carry out the envisaged commune planning activities. For alignment in climate-change activities, the project will work with provincial and district agencies in the context of the Action Plan Framework for Adaptation to Climate Change in the Agriculture and Rural Development Sector and the National Target Program to Respond to Climate Change (NTP-RCC) 2021-2025. CRWIS will harmonize its efforts with other development partners active in climate change to support two provinces in developing policy options, while remaining focused on implementation of adaptation and mitigation measures in agriculture.
102. **Alignment with IFAD policies and corporate priorities**. CRWIS is fully aligned with the three strategic objectives defined in IFAD's 2016-2025 Strategic Framework. CRWIS also contributes to two of the strategic objectives of the 2019-2025 Vietnam COSOP: (SO1) Build pro-poor and stable value chains leveraging significant investments from the private sector, and (SO3) Foster the environmental sustainability and climate resilience of smallholder economic activities. CRWIS focuses on IFAD's mainstreaming agenda on gender, youth, indigenous people (i.e. ethnic minorities) and climate change resilience.
103. **Country and local ownership**. Ownership and commitment to project investments have been traditionally strong in Vietnam, from national to province, district and commune levels. A comprehensive and fully participatory design process sensitizes and engages provincial and local authorities, including the Women Union, Youth Union, and Committee on Ethnic Minorities. Similar to all IFAD-supported projects in the past, the CRWIS ownership will be decentralized to the province-level governments namely the Province People Committees of Thanh Hoa and Nghe An provinces (which are identified by the national regulation as "investment owners" of the project)
104. **Harmonization and partnerships**. IFAD has built up close co-operations with other development partners notably the World Bank (WB), the Asian Development Bank (ADB), EU, FAO and bilateral partners including the Japanese International Cooperation Agency (JICA), French Development Agency (AFD) and German International Cooperation (GIZ). IFAD is an active member in various national development working groups which advise Government on salient policy issues to address climate change in the country.
105. CRWIS will closely collaborate with both national and international institutions: (i) National Coordination Office for NTP-NRD and OCOP; (ii) Central Committee for Ethnic Minorities (CEM) for integration with the NTP-EMD; (iii) Central Committee for Sustainable Poverty Reduction; (iv) the JICA funded projects in Nghe An province; and (v) private sector enterprises and associations for public-private-producer partnership (4P) development.
106. CRWIS will build synergies with other IFAD-funded projects in the country to deliver the expected outcomes of the 2019-2025 COSOP. Two out of the five pillars of IFAD investments in Vietnam, introduced and implemented over the last thirty years will be implemented by CRWIS, namely the institutionalization of SEDP and VCAP processes and community infrastructures. The other key interventions (private sector financing, co-financed rural collaborative groups and microfinance) will be integrated into the NTPs, leveraging on the 4P platforms to be established in the target Provinces. Together with CSSP in the North and CSAT in the South, CRWIS will help IFAD continue its operation in the Central region (following suite to the completed SRDP project), and will strengthen the evidence generated for policy engagement. Knowledge transfer (guidelines, KM products, coaching, TA, lessons learned) will be fostered between the three IFAD-funded projects.

G. Costs, benefits and financing

a. Project costs

107. The project will be implemented over a six-year period. Total project costs are estimated at USD 82.90 million. Physical contingencies amount to USD 2.85 million corresponding to 4% of project base costs, and price contingencies amount to USD 7.19 million corresponding to 10% of project base costs. Investment costs and recurrent costs have been estimated at USD 77.07 million and USD 5.82 million corresponding respectively to 93% and 7% of total costs.
108. The exchange rate has been estimated to 23213 VND for 1 USD using the average exchange rate from 2020 to 2022 of the World Development Indicators Database. The forecast on domestic inflation of 4 percent is derived from the World Economic Outlook Database.
109. The summary of the overall project costs, by components & year and expenditure categories showing base costs and contingencies are summarized in the tables below:

Table 4: Project costs by component (and sub-components) and financier (Thousands of US dollars)

	IFAD loan		Counterpart funds				Counterpart (in kind)				Beneficiaries				AF grant		Financing gap				Total	For. Exch.	Local (Excl. Taxes)	Duties & Taxes								
	Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An													
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%												
1. Improved water availability and control through climate-resilient infrastructure development																																
1. Improved access to and efficiency of irrigation water for smallholders	9,085	18.9	25,000	52.1	1,785	3.7	5,382	11.2	-	-	-	-	749	1.6	1,515	3.2	-	-	-	-	143	0.3	4,338	9.0	47,999	57.9	-	43,199	4,800			
2. Improved flood control and livelihoods protection	10,915	83.3	-	-	2,150	16.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32	0.2	-	-	13,097	15.8	-	11,787	1,310			
Subtotal	20,000	32.7	25,000	40.9	3,935	6.4	5,382	8.8	-	-	-	-	749	1.2	1,515	2.5	-	-	-	-	175	0.3	4,338	7.1	61,096	73.7	-	54,986	6,110			
2. Climate-resilient rural livelihoods																																
2.1 Improved capacity and coordination for integrated water management	-	-	-	-	100	1.8	100	1.8	-	-	-	-	-	-	-	-	-	-	-	1,837	32.5	3,298	58.3	159	2.8	159	2.8	5,652	6.8	7	5,209	436
2.2 Strengthened resilience of smallholders' agricultural businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,155	14.2	1,546	19.0	2,135	26.2	3,308	40.6	8,144	9.8	-	8,144	-
Subtotal	-	-	-	-	100	0.7	100	0.7	-	-	-	-	-	-	-	-	-	-	-	2,992	21.7	4,843	35.1	2,294	16.6	3,467	25.1	13,796	16.6	7	13,353	436
3. Project management																																
3.1 Monitoring & Evaluation and Knowledge Management	-	-	-	-	423	17.4	440	18.1	-	-	-	-	-	-	-	-	-	-	-	609	25.0	646	26.5	142	5.8	176	7.2	2,438	2.9	56	2,381	-
3.2 Project Management	-	-	-	-	2,064	37.0	2,252	40.4	77	1.4	77	1.4	-	-	-	-	-	-	-	455	8.2	455	8.2	96	1.7	96	1.7	5,571	6.7	667	4,869	35
Subtotal	-	-	-	-	2,487	31.1	2,692	33.6	77	1.0	77	1.0	-	-	-	-	-	-	-	1,064	13.3	1,101	13.7	239	3.0	273	3.4	8,008	9.7	723	7,251	35
Total PROJECT COSTS	20,000	24.1	25,000	30.2	6,521	7.9	8,174	9.9	77	0.1	77	0.1	749	0.9	1,515	1.8	4,056	4.9	5,944	7.2	2,708	3.3	8,078	9.7	82,900	100.0	730	75,590	6,580			

Table 5: Project costs by expenditure category and financier (Thousands of United States dollars)

	IFAD loan		Counterpart funds				Counterpart (in kind)				Beneficiaries				AF grant		Financing gap				Total	For. Exch.	Local (Excl. Taxes)	Duties & Taxes						
	Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An											
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%										
I. Investment Costs																														
A. Equipment and Materials	-	-	-	-	90	24.9	118	32.6	77	21.2	77	21.2	-	-	-	-	-	-	-	-	-	-	-	-	-	361	0.4	180	146	36
B. Grants and Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75	1.4	75	1.4	2,000	38.1	3,100	59.0	5,250	6.3	-	-	-	5,250	-	
C. Civil Works	20,000	30.6	25,000	38.2	3,935	6.0	5,382	8.2	-	-	-	-	749	1.1	1,515	2.3	1,448	2.2	2,896	4.4	175	0.3	4,338	6.6	65,440	78.9	-	58,896	6,544	
D. Consultancies	-	-	-	-	180	9.5	180	9.5	-	-	-	-	-	-	599	31.5	650	34.2	147	7.7	147	7.7	1,903	2.3	-	-	-	1,903	-	
E. Workshops and Training	-	-	-	-	285	6.9	285	6.9	-	-	-	-	-	-	1,377	33.4	1,732	42.0	188	4.6	261	6.3	4,128	5.0	-	-	-	4,128	-	
Total Investment Costs	20,000	25.9	25,000	32.4	4,490	5.8	5,965	7.7	77	0.1	77	0.1	749	1.0	1,515	2.0	3,499	4.5	5,354	6.9	2,510	3.3	7,846	10.2	77,082	93.0	180	70,323	6,580	
II. Recurrent Costs																														
A. Operating costs	-	-	-	-	2,031	34.9	2,209	38.0	-	-	-	-	-	-	556	9.6	590	10.1	198	3.4	232	4.0	5,818	7.0	551	5.267	-	5,267	-	
Total Recurrent Costs	-	-	-	-	2,031	34.9	2,209	38.0	-	-	-	-	-	-	556	9.6	590	10.1	198	3.4	232	4.0	5,818	7.0	551	5,267	-	5,267	-	
Total PROJECT COSTS	20,000	24.1	25,000	30.2	6,521	7.9	8,174	9.9	77	0.1	77	0.1	749	0.9	1,515	1.8	4,056	4.9	5,944	7.2	2,708	3.3	8,078	9.7	82,900	100.0	730	75,590	6,580	

Table 6: Project costs by component and year (Thousands of United States dollars)

	2025	2026	2027	2028	2029	2030	Total
1. Improved water availability and control through climate-resilient infrastructure development							
1.1 Improved access to and efficiency of irrigation water for smallholders	1 232	14 486	18 216	14 064	-	-	47 999
1.2 Improved flood control and livelihoods protection	392	4 372	4 085	4 248	-	-	13 097
Subtotal	1 624	18 858	22 301	18 313	-	-	61 096
2. Climate-resilient rural livelihoods							
2.1 Improved capacity and coordination for integrated water management	226	665	4 460	94	114	93	5 652
2.2 Strengthened resilience of smallholders' agricultural businesses	428	1 003	3 133	2 825	403	352	8 144
Subtotal	654	1 668	7 593	2 918	517	445	13 796
3. Project management							
3.1 Monitoring & Evaluation and Knowledge Management	376	466	386	366	380	464	2 438
3.2 Project Management	1 027	844	887	909	955	949	5 571
Subtotal	1 403	1 310	1 273	1 275	1 335	1 412	8 008
Total PROJECT COSTS	3 681	21 836	31 167	22 506	1 852	1 858	82 900

b. Project financing/co-financing strategy and plan

110. The CRWIS project will be financed by an IFAD loan of USD 45 million over four years of the implementation period (from the 2nd to the 5th year), a grant from the Adaptation Fund of USD 10 million, a counterpart fund from both provinces of USD 14.85 million, the beneficiaries' contribution of USD 2.26 million and a financing gap of USD 10.79 million. The PDT has identified the Adaptation Fund as the main potential grant co-financier based on the alignment of the project objectives and activities to AF priorities for climate adaptation, the expressed interest from the PPCs to work with AF, and the availability of a USD 10 million country allocation. ICO engaged with the National Designated Authority (NDA) and submitted a Concept Note for national review and approval to secure a Letter of Endorsement. Additionally, ICO engaged with different bilateral and multilateral agencies including the European Union (EU) which has expressed the interest in potentially co-financing the project, drawing from their human rights funds amounting to USD 26 million for Vietnam. The EU is reviewing CRWIS design documents and discussions are ongoing to finalize the possibility of partnership.
111. IFAD loan will exclusively finance infrastructure works under Component 1, in line with ODA regulations. The grants from the Adaptation Fund and from other potential financiers (financing gap) will be used to finance part of the "soft expenditures" under the three components, mainly Component 2 and Component 3 (technical assistance, salaries of additional PMU staff for climate, environment, social inclusion, thematic studies and KM products). The financing gap will be used to cover part of the activities under Component 1 (technical assistance), expand the scope of Sub-Component 1.1 rehabilitation of water infrastructure to include long-listed irrigation schemes identified in Nghe An province, and provide dedicated small grants to build climate resilience of the most vulnerable groups (women, youth and ethnic minorities) under Sub-Component 2.2. In case the financing gap persists, key project activities will not be affected.
112. The PPCs counterpart will include cash contribution of USD 14.7 million and in-kind contribution of USD 0.153 million. The PPCs will finance the investments taxes (VAT at 10%) and the project implementation activities including engineering and technical feasibility studies, trainings, workshops, consultancies, travel, meetings, beneficiaries' compensation, design documents, and recurrent costs. The recurrent costs include the operations costs and the salaries.
113. In the province of Nghe An, the project will be financed by an IFAD loan of USD 25 million, an Adaptation Fund grant of USD 5.94 million, the PPC counterpart fund of USD 8.17 million, beneficiaries' contribution of USD 1.52 million and a financing gap of USD 8.25 million. While in the province of Thanh Hoa, the project will be financed by an IFAD loan of USD 20 million, an Adaptation Fund grant of USD 4.01 million, the PPC counterpart fund of USD 6.6 million, the beneficiaries' contribution of USD 0.75 million and a financial gap of USD 2.71 million.

c. Disbursement

1. IFAD loan will finance only works contracts in line with the ODA law. Project Management Units (PMUs) in Thanh Hoa and Nghe An provinces will open separate DAs for BRAM and PBAS loans in a commercial bank approved by MOF. IFAD will disburse loan proceeds to DAs based on WAs authorized and submitted by PMUs/MOF. Both PMUs will have Project Accounts (PAs) opened in a local commercial bank for BRAM and PBAS. IFAD loan proceeds will be transferred to PAs after conversion of funds into local currency. PMUs will pay from PAs to contractors for works completed.
2. *Cost categories.* The project will have only one cost category (works) financed by the IFAD loan. The ratio of recurrent expenditures to total project financing will be nil.
3. *Interim Financial Reporting (IFR).* Report-based disbursement modality will be applied to request funds from IFAD. The PMUs will submit quarterly IFRs within 30 days from the end of the relevant quarter.
4. *Supporting documentation.* The most recent IFRs will be attached to each WA. IFAD may ask for additional supporting documents as deemed necessary.

d. Summary of benefits and economic analysis

114. The Economic and Financial analysis (EFA) uses the costs/benefits methodology to quantify the overall benefits of the project. The project benefits have been calculated from 11 models, with stronger focus on Component 1, exclusively financing the infrastructure investment. The models prepared, capture the activities around irrigation and dikes investments. Regarding Component 2, mainly financed by the AF grant, one model on market linkage has been developed in both provinces. The EFA describes key assumptions concerning yields, average size of farms, production practices under two different scenarios (with and without project). Incremental benefits include mainly loss reduction, increase in yields, increase in prices and sales and land-use expansion.
115. The project benefits were analyzed based on the planned investment in each province. While the overall project benefits were estimated by combining the benefit from both provinces. Approximately, the project will impact around 278,000 direct beneficiaries, with the adoption rate estimated from 60% to 95% depending on the activities. It is important to mention that only the direct benefits were modelled due to the difficulty to get a reliable estimation of indirect benefits related to some project's interventions. The cost per beneficiary is around USD 298/beneficiary, while beneficiary household's cost is estimated to be around USD 1,123/HH.

Table 7: Project Costs and Logframe Indicators

Project cost and logframe indicators			
Total project costs	82,900,000	Adoption rates	50% to 75%
Beneficiaries	278,000	Households	73,800
Cost per beneficiary (USD)	298	Cost per HH (USD)	1.123
Components Cost (thousand USD)			
1. Improved water availability and control through climate-resilient infrastructure development	61,096		
2. Climate-resilient rural livelihoods	13,796		
3. Project management	8,008		

116. The financial analysis indicates that all the activities proposed by the project are profitable, with the Net Present Value (NPV) ranging from USD 157 to USD 85 050, and the Internal Rate of Return (IRR) ranging from 12% to 41%. In addition to the market linkage modelling, the NVP per investment is highest for the rice and cabbage cultivated under irrigation, and these are estimated to be around 2363 USD/Ha in Thanh Hoa and 1686 USD/Ha in Nghe An, representing an IRR of 38% and 30% respectively. Additionally, all models present an increase in the daily revenue with the project compared to the without project situation. The daily margin on income per household is most important for the irrigated rice production for both provinces, where it is estimated to USD 8 and USD 7 (per day) in Thanh Hoa and Nghe An respectively.

Table 8: Financial Analysis Results

Financial models		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10-20	NPV millions			
												VND 10%	NPV USD	IRR	
Thanh Hoa															
Market linkage		304	314	326	326	326	326	326	326	326	326	326	1,974	85,050	#NUM!
Irrigation	Rice	- 49	14	15	15	15	15	15	15	15	15	15	32	1,381	26%
Irrigation	Rice+Cabbage	- 45	18	18	18	18	18	18	18	18	18	18	55	2,363	38%
Dikes	Rice+Fish	- 31	9	10	10	10	10	10	10	10	10	10	24	1,040	29%
Dikes	Fish	- 4	1	1	1	1	1	1	1	1	1	1	4	157	32%
Dikes	Corn	- 27	11	12	12	12	12	12	12	12	12	12	38	1,617	41%
Dikes	Rice	- 31	6	7	7	7	7	7	7	7	7	7	9	372	17%
Nghe An															
Market linkage		274	286	295	295	295	295	295	295	295	295	295	1,785	76,904	#NUM!
Irrigation	Rice	- 51	11	12	12	12	12	12	12	12	12	12	16	704	18%
Irrigation	Rice+Cabbage	- 47	15	16	16	16	16	16	16	16	16	16	39	1,686	30%
Irrigation	Corn	- 61	11	12	12	12	12	12	12	12	12	12	5	194	12%

117. The economic analysis presents a substantial return of the CRWIS' investment, with an NPV of USD 47.9 million and an Economic Internal Rate of Return (EIRR) of 19.1%. The results are also robust to the sensitivity analysis including a reduction of project benefits of 10%-25%, an increase in project costs of 10%-25% and a delay of 1 to 2 years project benefits. The benefits of the project will be more impacted in case of 2 years delay in project implementation.

Table 9: Sensitivity Analysis

Sensitivity Analysis				
Scenario	Δ%	Potential Causes	NPV, million USD	IRR
Baseline scenario			47,9	19,1%
Cost increase	10%	Delayed implementation of activities, unexpected inflation	44,8	17,9%
	25%		40,2	16,2%
Decrease in benefits	10%	Unexpected extreme weather events, fluctuation in commodity prices	40,0	17,8%
	25%		28,2	15,4%
Delay of 1 year in benefits		Delay in project start or VC planning, delay in	40,0	16,8%
Delay of 2 years in benefits		counterpart funding	32,6	14,8%

118. The EFA is mainly focused on the beneficiaries of infrastructure in Component 1 and the market linkage in Component 2.

Nevertheless, the models' activities will leverage more effect and efficiency with the implementation of different activities including the meteorological information dissemination and multiple trainings on water resources management and climate smart agriculture topics.

e. Exit Strategy and Sustainability

119. CRWIS's exit strategy is built into the design approach, domestic funding mobilization and institutional setting. The two PPCs are the project owners and delegate tasks to the line agencies in each province. The PPCs are co-responsible for the delivery on national target programmes (NTPs) through CRWIS and other national and international programmes.
120. The IFAD investments in sustainable and climate resilient rural infrastructure are part of the commune, district and provincial investment plans, as registered in the district and provincial socio economic development plans. The PIM and the exit strategy describe the ownership and O&M responsibilities arrangements for each type of infrastructure. The PPCs will ensure funding of infrastructure O&M including repair. The prior establishment of and capacity building to local water user entities is mandatory under Vietnam's law for small in-field irrigation canals and embankments. The project will develop adequate hand-over procedures during its implementation and will ensure a smooth asset management transfer and handing over to beneficiaries and will empower communities and strengthen farmer level institutions such as cooperatives, Water Users' entities for sustainable management, operation and maintenance of water related infrastructure. The performance of water user entities will be monitored regularly during implementation.
121. The continuation of the 4P platform is critical. It is reassuring that the proposed 4P platform is not a new institutional set-up, as it builds on the provincial and district OCOP programmes. Private sector companies will be key sponsors and must be engaged at the earliest stage possible i.e. value chain action plan establishment, in order to ensure the relevance, ownership and sustainability of the 4P platform. Its funding will be a combination of public and private sector sponsors during and beyond CRWIS's implementation.
122. The exit strategy will be finalized at project start-up outlining financial resources required, institutional responsibilities, timelines and milestones. The exit strategy will be checked by the first IFAD supervision mission (and therefore captured in the mission ToRs as one of the main objectives), and will be monitored during the project implementation first three years and adjusted during MTR. The PPC's formal endorsement of the exit strategy is a good practice to secure commitment to post-project follow-up.

3. Risks

H. Project risks and mitigation measures

123. The project could face various potential risks that would potentially affect the execution of its interventions and the achievement of its development objective. The main project risks and mitigation measures are presented in Annex 9 (Integrated Project Risk Matrix, IPRM) while a sample of CRWIS main risks and mitigation measures are depicted in the table below:

Table 10: Example of CRWIS Substantial/High Risks and Mitigation Measures

Example of Potential Risks	Mitigation Measures
<p><u>Project vulnerability to climate change impacts:</u> The project area is at significant risk of droughts and floods as well as landslides, saline intrusion (specific to Thanh Hoa), extreme heat, storms and typhoons, and coastal and riverbank erosion.</p>	<p>Government institutions are well organized and experienced in mitigating disasters. The provincial agencies to develop studies on climate impact, vulnerability, risks & climate change action plan priorities, with a focus on water management and flood protection; The project integrated resilience approach and investment in irrigation development and in CIEWS shall help address various economic and environmental shocks.</p> <p>The project will also build institutional capacity and improve coordination mechanism for integrated water management to address climate shocks. Integration of climate change risks into final selection of project value chains and trainings on climate-smart agriculture for farmers and extension officials.</p>
<p><u>Funds flow, Disbursement Arrangements and Internal Controls:</u> IFAD funds will be disbursed to DA opened in provincial bank branches. PA will be used to convert funds from DA to PA and then to pay suppliers. Some grant funds are expected to finance soft project activities and each one will require specific funds' flow arrangements depending on donor requirements.</p> <p>Financing gap may affect other project categories and overall project implementation.</p> <p>Additionally, there are potential internal control weaknesses for managing large scale infrastructure contracts and completed works will be challenging to verify and measure.</p>	<p>The PMUs will work closely with the IFAD team to develop internal procedures to meet all donor requirements in terms of funds flow, and necessary training/coaching will be provided.</p> <p>IFAD will develop alternative plans in case initial plans for financing gap filling do not materialize</p> <p>The development of PIM and FMM with clear roles for supporting documents filing and accounting record keeping for all implementing partners. The PMUs will follow rigorous government regulations for assessing and accepting work done for infrastructure contracts. The PMUs will employ experienced engineers to assess and verify infrastructure work.</p>
<p><u>Physical and economic resettlement:</u> It is anticipated that rehabilitation of existing canals, pumping stations and dikes require land acquisition. No physical resettlement is anticipated. During construction, it is estimated that 4,229 households will be affected temporarily in Nghe An, and 2,068 households in Thanh Hoa (averaging 31m² per households). Temporary impacts are short duration, localized due to contractor's construction activities.</p>	<p>A Resettlement Action Framework has been prepared at design to guide FPIC and compensation payment for affected households.</p> <p>This was prepared in accordance with Standard 7, and in line with relevant national laws and regulations, including common practices widely adopted by other institutions such as the WB and the ADB.</p>

124. Financial Management: Potential FM risks are (i) the lack of previous experience of the Project Management Boards (PMBs) in IFAD-funded projects, (ii) complex Official Development Assistance (ODA) and internal budgetary regulations, and (iii) the complex nature of the project that involves designing and construction or rehabilitation of a large number of irrigation sites.

125. Mitigation measures: CRWIS design will include developing PIM and FMM with clear roles for supporting documents filing and accounting record keeping for all implementing partners and customizing BICTIME and SMARTBOOK accounting software for accounting record keeping and financial reporting.

126. PIM and FMM include specific provisions for the management of Works Contracts to ensure that a large number of irrigation infrastructure contracts are implemented timely and in accordance with applicable regulations.

I. Environment and Social category

127. The environmental and social risk was rated “Substantial” at the PCN stage and will remain “Substantial” following design mission. The climate risk is “Substantial”. The risk rating is primarily influenced by the extent of economic compensation or land acquisition that will be required in Nghe An and Thanh Hoa (i.e., how many households will be affected, how many hectares of private land holdings acquired temporarily or permanently, how many aquaculture ponds will be drained temporarily for dike upgrade, etc.).
128. Key social risks include (a) risks of Gender-based Violence due to shifts in household dynamics, prevalent social norms, and influx of labour; (b) inadequate access to information on climate change / agricultural market opportunities and exclusion of women from decision-making structures, including agricultural cooperatives/water user entities; (c) inadequate inclusion of women, youth, Ethnic Minorities in project activities and decision-making structures; (d) inadequate consideration of needs and priorities of poor and near-poor households in prioritization of project activities; (e) safety and community health risks associated infrastructure upgrade, including from floods and flash floods; (f) risks of conflicts due to delays in implementation or insufficient information on project activities and objectives; (g) risks associated with commercialization of local agricultural products such as flower tea, rice wines, and other OCOP products (i.e., intangible cultural heritage); and (h) risks associated with public / private land acquisitions and temporary disruptions to crop and aquaculture activities during upgrade and rehabilitation of infrastructure. These risks are addressed through the development and implementation of a Stakeholder Engagement Plan, Indigenous Peoples Plan, Resettlement Action Framework / Plan, and Grievance Redress Mechanism. Additionally, as part of the project gender and social inclusion strategy, a gender and social norms assessment will be conducted, and inform activities such as implementation of a household methodology for improved gender relations to enhance climate resilience and business skills, and capacity building of project implementers and community sensitization on GEWE for increased women’s climate adaptive capacity, through engagement with men and community leaders in partnership with the local Vietnam Women’s Union and Youth Union. Additionally, Free Prior Informed Consent (FPIC) processes will be further implemented by the Project Management Unit in identified communes and hamlets during early implementation to ensure potential stakeholders (project beneficiaries) are aware of the proposed project, solicit their inputs and feedback, and provide consent to project activities. IFAD recognizes that FPIC is an iterative process and consultations will continue through implementation stages. Currently, the Commune administration has been informed of the project plans; field missions over April, August, and November 2023 have held multiple focus group discussions with communities to seek their inputs.
129. Key environmental risks include: (a) the wastewater runoff from aquaculture and its effects on water quality; (b) agro-chemicals use (own purchase) by farmers which are unsustainable; (c) poor waste management practices resulting in pollution or contamination of water; (d) pollution from historical sand mining activities affecting project labourers / staff or agricultural production; (e) rehabilitation of dykes requiring substantive quantities of soil and rock; (f) structural failures of infrastructure due to weather events and worsened by historical riverbank erosion. Several mitigation measures have been identified, some of which are built into project activities (e.g., integrated fertilizer management and use of organic manure, increasing awareness of farmers / agricultural cooperatives on safe handling and disposal of agro-chemicals) and other mitigation measures will focus on alignment/integration with existing PPC projects and programmes (e.g., in wastewater treatment, non-structural measures that can improve water quality).

J. Climate Risk classification

130. As identified in the PCN, the rating for climate risks remains ‘Substantial’. Key climate trends in the project area were discussed with stakeholders (government officials, households, agricultural cooperatives) and validated (where feasible) using secondary data sources and reports. The main trends are increased number and severity of floods, flash floods and drought events; increased maximum and minimum temperature; heat waves (increase in number of hot days); landslides in higher elevations; salinity intrusion in coastal areas; and more frequent / unseasonal / more severe typhoons and storms. Climate change has severe impacts, particularly through droughts and floods, on the agricultural sector and associated infrastructure (pumping stations, irrigation canals, drainage systems) in both targeted provinces.
131. Since infrastructure planning and development decisions – such as the location of pumping stations, width and height of dikes, size of sluice gates and drainage options, and horsepower / number of pumps – were not built to be climate-resilient, these assets are exposed to both slow onset and extreme events. For instance, pumping stations that are no longer where the river flows require relocation. People living along riverbanks and in mountainous or upland areas are also exposed to floods, flash floods and landslides; in fact, there are several households in each district that are marooned each year due to floods and require temporary assistance for food. Floods, flash floods and landslides also damage roads, cropland and houses. Rice crops, in particular, are severely affected by lack of water and the area and/or number of rice cropping seasons is slowly reducing.
132. In general, limited access to markets, dependence on rice cropping using broadcasting methods and limited use of high quality inputs, women’s limited access to and participation in agricultural cooperatives (particularly for irrigation decision), inadequate communication on water management between institutions and communities, degraded coastal systems (due to aquaculture), structural nature of inequality that Ethnic Minorities face, and inadequate provincial budgets all influence the vulnerability of target population and specific sub-populations.
133. To adapt to dry spells and droughts, farmers take autonomous adaptation actions such as the use of diesel pumps or stress-tolerant seeds, but the effectiveness of such actions is limited when water is not available. Of course, poor and near-poor farmers, women farmers, and marginalized peoples lack the resources to invest in potential adaptation actions. While temporary evacuation is possible for floods, early warning and farmer advisories (seasonal, weekly, daily) that allow planning of irrigation cycles and facilitates farmer decision making is inadequate. Drainage systems are also sparse or unable to cope with magnitude of flooding.

4. Implementation

K. Organizational Framework

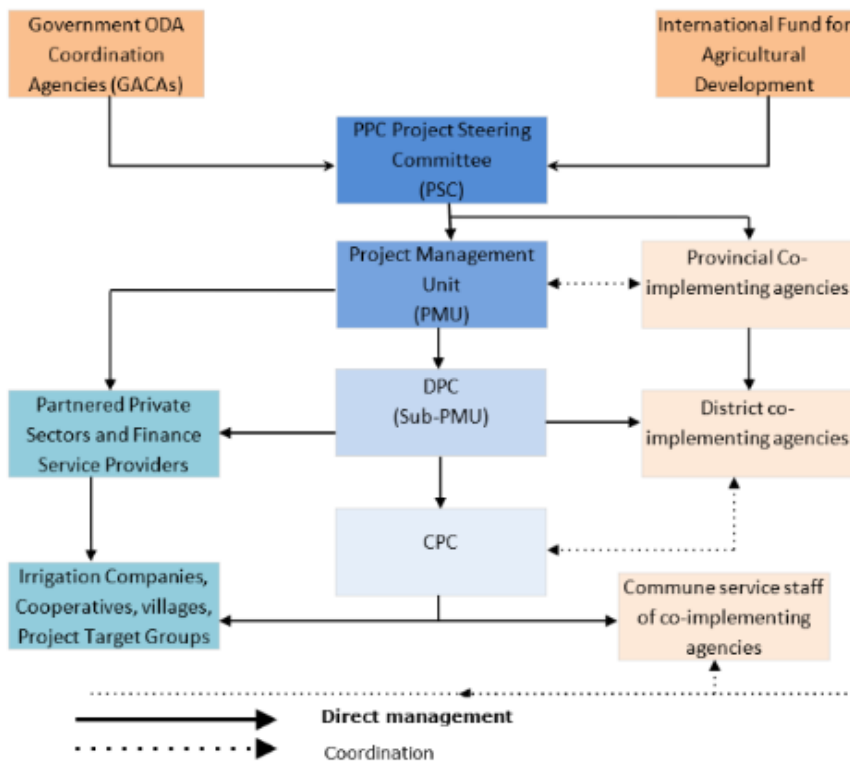
a. Project management and coordination

134. **Project Management and Coordination.** project management and coordination follow the proven structure of IFAD funded projects in Vietnam. It takes on board a number of additional functions in order to respond to new requirements including risk management, policy engagement, facilitating private sector linkages, and partnerships. The detailed implementation arrangements are described in Annex 8 - Project Implementation Manual (PIM).
135. The strategy for project design in consecutive provinces was well reflected in the IFAD Vietnam COSOP 2012-2019 and 2019-2025 and successfully implemented during these periods. The design in consecutive provinces ensures both physical and institutional coordination and cooperation. In the case of CRWIS, Thanh Hoa and Nghe An provinces are adjacent. There is only one design for two provinces encouraging the provinces to cooperate and contribute to the same outcomes and objectives. The IFAD country office oversees the implementation and coordination of the project through organizing support and supervision missions, and reviewing the coordination and implementation plans/ strategies of the two provinces.
136. **Lead Project Implementing Agency.** The Ministry of Finance (MOF) and Ministry of Development and Investment (MPI) provide oversight at national level and vis a vis IFAD. The National Government of Vietnam appoints the Province People Committees (PPC) of Thanh Hoa and Nghe An provinces, respectively, as Lead Project Implementing Agencies who become accountable for the project execution. The PPC will establish a Project Steering Committee (PSCs) in each province, to be led by the PPC Chairperson or the Deputy Chairman. PSCs are mandated to lead the project implementation, ensure coordination and integration of the project with all the national target programmes and donor-funded projects. The PSC is composed of PPC, DPI, DOF, DARD, DONRE, DOIT, WU, DOLISA, FU, CA, YU, CEM NTPs, and District People's Committees. The PSC provides the strategic direction to the implementation of CRWIS, oversees project planning, financing and procurement processes, mobilizes adequate and timely finance for the AWPB, reviews the progress and reporting on results. The PSC in Nghe An would hold joint meetings for the NTP-EMD, NTP-SPR, NTP- NRD, and CRWIS and likewise, the PSC in Thanh Hoa would cover both CRWIS and the NTP-NRD. This arrangement streamlines current parallel processes into one and coordinates the various financing sources destined for a similar purpose and thus creating higher efficiencies and better impact.
137. The PSC meets quarterly to review the implementation progress, review and approve draft AWPB and procurement plans before the beginning of the year. The PSC discusses and resolves challenges related to project implementation, including grievances related to procurement, staff management, code of conduct and other allegations brought forward.
138. **Project Management Units.** Each of the two provincial PPCs establishes a dedicated Project Management Unit (PMU) for CRWIS. The provincial PMUs led by a project director, a project deputy director and composed of three technical sections: (i) Strategic Management including dedicated staff for component 2, social inclusion activities (gender, youth, EM) and environmental safeguards and climate adaptation activities, (ii) Infrastructure Management including a Climate Resilient Engineer to ensure adherence to social and environmental safeguards, procurement officers, and M&E and KM officer and (iii) Financial Management. The two Provinces have prior experience in managing ODA projects financed by various donors and specifically infrastructure investments, from WBG, ADB or JICA. Some of the required expertise to be included in the PMUs already exist within the relevant Departments, Sub-departments or Divisions working under the PPC, such as procurement, financial management, infrastructure. The project will develop capacity building plans for the PMU staff which will include dedicated trainings, cross-exchange between provinces and projects, technical assistance, direct coaching and IFAD implementation support missions.
139. The PMU will be responsible for the day-to-day management of the CRWIS implementation and functions as the secretary for the PSC meetings. The key tasks of the PMU are to: (i) ensure the coherence of the implementation strategy towards the expected outputs, outcomes and impacts; (ii) draft the AWPB and procurement plan; (iii) mobilize and manage project finance from the various sources; (iv) ensure adherence to procurement IFAD and national procedures ; (v) set up, consolidate and validate the Management Information System database, the baseline/midterm/endline surveys, all M&E and reporting structures (vii) set up a of co-ordination structure and strategy with the co-implementing agencies (DARD, DONRE, DPI, DOF, DOLISA, DOIT, WU, YU, FU, CA), district and commune level agencies; (viii) facilitate the networking with banking sector, private sector, 4P platform (ix) set up an effective knowledge management system ; (x) identify relevant policy topics such as improved water planning and management, water use fees, climate smart agriculture; and value chain planning and development and support the PSC on policy engagement activities and (xi) ensure environmental and social safeguards requirements are met for project activities implementation based on the national regulations on environmental management and IFAD's SECAP recommendations.
140. The proposed PMU structure builds on the foundation provided under the previous IFAD funded projects which suggests smaller PMU in each province. These have demonstrated a solid track record of delivery of even complex tasks across province, district and commune structures. The compact management unit helps the province save operating cost while ensures that project activities will be properly mainstreamed in the provincial government programmes of work. The IFAD country team will continue organizing regular training and capacity development of portfolio PMUs on project management and implementation.
141. **Project Management at District Level:** At the district level, the District People's Committee (DPC) will be responsible for

coordination of the project activities and integration with the organizational structures and mandates of the line agencies and mass organizations at the district level. The DPC Chairman (or Vice-Chairman) will be responsible for the coordination of project activities. A sub-project management unit will be established at each district or combined 2-3 districts with Infrastructure Engineer, M&E officer, and livelihood and Market officer direct implementing the project activities.

142. **Project Management at Commune Level.** The CPC will be accountable for the project implementation at the commune level. In both provinces, the commune's chairpersons, accountant and cashier will receive a project management allowance in line with government policy. To the extent possible, project implementation will be decentralized to the CPCs, which will receive substantial training to develop their capacities. The PMU staff provides technical backstopping. The project implementation integrates itself into existing institutions at the local levels to ensure ownership, direct link to higher level policy makers, sustainability, local capacity building and reduced management cost.

Figure 1 – Project Management Structure at Province level



b. Financial Management, Procurement and Governance

1. Funds Flow and Disbursement. The PMUs will submit to IFAD quarterly WAs to justify the last quarter's expenditures and request advances adjusted for bank balances for the next two quarters. Report-based disbursement modality will be applied to request funds from IFAD. The PMUs will submit quarterly IFRs within 30 days from the end of the relevant quarter. The most recent IFRs will be attached to each WA. IFAD may ask for additional supporting documents as deemed necessary. The PMUs will maintain DAs and PAs for CRWIS in a commercial bank operating in relevant provinces.
2. Government counterpart funds will be channeled through the Government's central treasury. At the beginning of each year, the Government will approve co-financing amounts for each province, and PMUs will access funds via local treasury offices. PMUs will advance funds to participating institutions in line with the approved relevant AWPB. Participating institutions will submit monthly expenditure statements to PMU to justify the spent amount. PMUs will advance the next tranche to participating institutions when at least 70 % of the previous tranches have been justified.
3. PMUs will employ the existing FM staff of PMUs for CRWIS. In each province, the Chief Accountant of the relevant PMU and two accountants with experience in WB-funded operations will be responsible for CRWIS financial management arrangements, including accounting record keeping and financial reporting. Both PMUs have experience in ADB (closed) and WB (ongoing) projects, which will help them manage IFAD-specific requirements.
4. *Planning and Budgeting.* The budgeting for CRWIS will be fully integrated into the overall government budgeting process. Both provinces' draft and final budgets will include CRWIS-related expenditures as a separate budget line item. PMUs will collect data from project partners, submit the budget to PPC for approval, prepare consolidated CRWIS budgets in IFAD-approved formats, and agree on them with IFAD. The draft AWPBs, split by components, categories, and sources of funds, will be sent to IFAD 60 days before the start of the relevant financial year for prior review. Upon approval of the program-wide AWPB, the PMUs will enter the AWPB activities into relevant accounting software.
5. *Internal control.* CRWIS-related financial operations and transactions will be subject to government internal approval procedures. Additionally, CRWIS-specific internal controls and policies will be included in the Project Implementation Manual (PIM) and Financial Management Manual (FMM). IFAD's anticorruption guidelines and policies^[1] will be mandatory for all project implementation partners.

[1]<https://www.ifad.org/en/anticorruption>

6. *Accounting systems, policies, procedures, and financial reporting.* PMUs will utilize BICTIME (Thanh Hoa) and SMARTBOOK (Nghe An) accounting software for accounting record-keeping and financial reporting for CRWIS. PMUs currently use their relevant software for accounting and financial reporting of projects implemented by the respective organization. The software will be customized for the needs of the CRWIS and will generate automatic Interim Financial Reports (IFRs). The PMUs will apply the Vietnam National Accounting Standards to prepare project financial statements and reports.
7. *External Audits.* IFAD proposed the State Audit Office of Vietnam (SAV) to audit CRWIS financial statements. However, the SAV has decided not to audit CRWIS financial statements. Therefore, CRWIS FSs will be audited by private sector auditors. The auditor will issue audit reports within six months of the end of the financial year.
8. *Country systems.* Government staffing, budgeting, funds flow, accounting and audit standards, and SAI will be used to implement CRWIS.
9. *Lessons learned.* IFAD-funded projects in Vietnam had difficulty complying with ODA and budgetary law requirements. One of the C SSP provinces could not disburse funds due to provincial debt ceiling limitations. Moreover, all IFIs-funded projects can only finance infrastructure-related works contracts. As a result, all soft expenditures, such as consultancy and operating costs, must be funded either by government co-financing sources or from grant resources. Therefore, CRWIS is mobilizing grant resources to finance soft expenditures. During the design mission, both provinces assured that CRWIS would not have a disbursement issue due to provincial debt ceiling requirements, as they have enough room to absorb additional IFAD loans.

143. *Procurement Legal Framework.* The procurement in the CRWIS Project will be carried out using procurement procedures guided by GOV's Procurement Law^[31] and IFAD Project Procurement Guidelines. In case of contradiction between the two, the latter will prevail. The procurement procedures will be detailed in the Project Procurement Arrangements Letter (PAL) and the Project Implementation Manual (PIM).

144. *Readiness for Implementation.* Thanh Hoa and Nghe An PMUs have track records of experience in implementing similar ODA projects and have sufficient capable procurement staff and facilities to carry out procurement in the Project despite lack of experience with IFAD procurement guidelines and procedures. Thanh Hoa and Nghe An PMUs will use the current procurement staff and organizational structure for the Project. Thanh Hoa PMU in particular will recruit either a translator or a procurement staff who can work in English. Capacity of procurement staff in Thanh Hoa PMU and Nghe An PMU will be strengthened via IFAD's BUILDPROC programme which is a strategic tool for procurement capacity development initiative. Thanh Hoa and Nghe An PMUs are requested to bear the cost and assign procurement staff to be accredited as a part of the BUILDPROC procurement capacity development.

145. *Procurement Risk Assessment.* Procurement risk assessment was conducted in Thanh Hoa and Nghe An Provinces using Methodology for Assessing Procurement Systems (MAPS) during the design. The assessment showed that the inherent risk is moderate. The main risks and proposed mitigation measures are depicted in Annex 9 – IPRM.

146. *Procurement Plan.* A procurement plan for the first 18 months was prepared during the project design process and is depicted in Annex 7. This procurement plan will be updated at Project start-up. At project start-up, the PMUs shall update, complete and furnish to IFAD for its approval, the 18 months Procurement Plan through the OPEN (IFAD's Online Procurement End to End System) as mandatory. This will be followed by successive 12-month plans synchronized with the AWPBs during implementation. CRWIS shall update the Procurement Plan annually or as needed throughout the duration of the project. All such updates of the procurement plan shall be subject to IFAD's no objection. Items procured outside the approved procurement plan and the related AWPB will be declared mis-procurement and the related expenditure will be ineligible for financing from the

loan/grant proceeds.

147. The procurement plan must at least include: i) a brief description of each procurement activity to be undertaken during the period; ii) an estimated value of each procurement activity; iii) the procurement method to be adopted for each activity; and iv) an indication on whether IFAD shall carry out prior or post review in respect of every procurement activity to ensure compliance with the PAL and AWPB.
148. *Procurement Methods.* Procurement methods and their thresholds and regulations for IFAD prior or post-review are presented in the PAL and PIM. IFAD may modify these thresholds during Project implementation. Based on experience in past projects in Thanh Hoa and Nghe An Provinces, it is unlikely that international bidders will be interested in proposed contracts in the Project taking into account the high competition from domestic contractors and local conditions. Market research showed that the capacity of national contractors is sufficient to provide the services required by the Project. The expected main procurement methods in this project will be National Competitive Bidding (NCB) for civil works and Goods, Quality Cost-Based Selection (QCBS), Fixed Budget Selection (FBS), Least Cost Selection (LCS), Sole/Single Source Selection (SSS), and Individual Consultants Selection (ICS) for consulting services. NCB, QCBS, FBS, and LCS contracts will be procured through the E-procurement system.
149. *IFAD's Prior and Post Review Requirements.* Thresholds and documentation for prior reviews will be described in PPA and the procurement section of PIM. All requests for IFAD prior review and No Objection (including AWPB, Procurement Plan, procurement documents at different stages subjected to IFAD prior review, project guidelines and manuals, etc.) will be carried out through the OPEN (End-to-End system). Post-review contracts and grants should be also uploaded to the OPEN system.
150. *Procurement Implementation Arrangement.* Thanh Hoa and Nghe An PMUs will carry out the procurement and no delegation to districts nor communes is expected. Nevertheless, this arrangement can be adjusted during the project implementation depending on the project activities. The delegation of procurement to communes and procurement with community participation method are always encouraged. The mitigation of SECAP Risk associated with Procurement is described in the PIM.
151. All procurement of goods, works and services financed from IFAD funds under CRWIS shall include the additional provisions and self-certification form for bidders and contractors to: i) permit IFAD to inspect their accounts, records and other documents relating to the procurement and contract performance and to have them audited, and ii) to comply with the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations and with its Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse.
152. *Contract Management.* Thanh Hoa and Nghe An PMUs are responsible for entering and updating contract data for all the contracts into the ICP-CMT system. The contract data will be periodically reviewed and updated to monitor the implementation progress and for reporting.
153. *Implementation Support and Supervision Missions.* In addition to prior review supervision, IFAD will undertake twice yearly supervision and implementation support missions to review project implementation status and provide technical support and quality assurance of the assessment. The supervision missions will (i) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Financing Agreement and the Procurement Arrangements Letter; (ii) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample; (iii) review and comment on contract administration and management issues as dealt with by the PMU; (iv) review capacity of the PMU in handling procurement; and (v) identify improvements in the procurement process in the light of any identified deficiencies.
154. *Governance and Anti-corruption.* IFAD will not finance expenditures for goods, works or consulting services that have not been procured in accordance with IFAD Project Procurement Guidelines and the Financing Agreement. In such cases, IFAD may, in addition, take other remedial action under the financing agreement, including cancellation of the amount in question from the loan account by declaring it ineligible. Even if the contract was awarded following IFAD's "no objection" statement, IFAD may still declare mis-procurement if it concludes that this statement was issued based on incomplete, inaccurate or misleading information furnished by the Borrower/Recipient.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

155. The project's planning, budgeting and monitoring will be aligned with the PPC's main planning cycle. The fiscal year goes from January to December. The AWPB includes a detailed description of the planned activities and required budget and describes how activities will be implemented. All project expenditures are incurred in accordance with approved AWPBs and project performance is assessed against the implementation of the AWPB. The procurement plan is derived from the AWPB.
156. Building on the experience of other IFAD projects in Vietnam, the Annual Work Plan and Budget (AWPB) will be developed through a participatory process from Communes, Districts to Province level, undertaken from July to September during dialogues and meetings organized by the project, and will aim at identifying the sequencing of implementation of key interventions such as infrastructure schemes, VCAPs, CSA trainings and support, in the different target areas, based on beneficiaries' needs and priorities, and ensuring equity and empowerment of women and youth in the planning and decision-making processes. PMU leads the consolidation of inputs and the preparation of the documents. Approval of AWPB as well as any subsequent amendment follows the same process: PMU submits the AWPB to PSC for review and approval during their

quarterly meeting, then submits the approved AWPB to IFAD's No Objection before the beginning of the year (or anytime during implementation for AWPB revision). Upon IFAD's No Objection, the PPC will finalize and approve the AWPB for immediate implementation. Furthermore, the PPC is responsible of sharing the project's AWPB for inclusion in MPI's Medium-term Planning, which allocates counterpart finance to all ODA projects at the beginning of the year based on the previous year's disbursement performance and is in charge of liaising with MOF to ensure a timely provision of ODA resources against the approved AWPB.

157. Experience from recent IFAD-funded projects showed that provision of ODA funding against the approved AWPB was released twice by MOF, at the beginning and the end of each fiscal year, and often the first tranche was not sufficient to cover the expenditures foreseen, which created procurement delays and impacted implementation progress.
158. **Monitoring and Evaluation.** M&E is a key instrument for results-based and adaptive management. Up to date information from the project M&E system will inform the PSC and other stakeholders on implementation progress, for a realistic planning and budgeting of project activities every year. The project's Management Information System (MIS) and all M&E approaches, tools, and methodologies to collect and analyze data will be harmonized between the two PMUs.
159. PMUs will monitor and track the progress of each activity and output of each sub-component and component on a regular basis and enter the data into a dedicated project's MIS database, compliant with the reporting requirements of Government, IFAD and other donors, as applicable, and bilingual to facilitate both use and audit. District level M&E officers will support data entry and validation in the MIS database, using data collected from local level implementers. Outreach and output data are directly collected from project service reports (e.g. attendance lists for meetings, trainings and workshops, registration forms and list of beneficiaries), and the project will keep all original records at the sub-PMU level as well as a printout and a digital copy at the central PMU. The PMU is responsible for consolidating the MIS database and generating reports. The project will provide capacity building to all M&E staff at PMU and sub-PMU levels as well as co-implementing agencies at local level (e.g. DARD's Centre for Extension Services, Farmer Union, Women Union, Cooperative Alliance) to ensure effective use of MIS database and reliability of collected data. IFAD Country Office will also ensure regular backstopping and training of PMU on several aspects including M&E. Further details on the MIS structure and on M&E capacity building plan will be included in the Project Implementation Manual (PIM).
160. To steer project implementation and facilitate supervision, M&E and potentially auditing, the project will use a spatial monitoring system and build the MIS on a Geographic Information System (GIS), privileging open source / freeware such as QGIS. The GIS and the related Database will be used to timely monitor the progress and report exactly which irrigation scheme, pumping station, canals' section, and other infrastructure are enhanced, built or repaired. For other project activities, the structure of MIS database will be based on the system developed by other ongoing IFAD-funded project (CSSP, CSAT), customized for the specific needs of CRWIS project and improved to facilitate aggregation of data and include a dashboard for quick progress monitoring. The database will enable progress to be tracked for all activities undertaken by the project, in terms of processes and results, and will be maintained up to date to enable efficient preparation of progress reports and planning. MIS set up will take place during the first quarters of the first implementation year and validation of the MIS by relevant stakeholders will be done during the M&E start-up workshop. Using the MIS, the project will prepare quarterly reports on outputs achieved, regularly report results to IFAD's Operational Results Management System (ORMS) and ensure up to date information is made available prior to IFAD's Supervision and Implementation Support (SIS) missions.
161. Data will be collected from project surveys (baseline, midterm and endline) and thematic studies to assess the effect of project services (e.g. households women reporting an improvement in empowerment, households reporting increased resilience to climate shocks), as well as from official survey reports generated by relevant Departments (e.g. annual crop production from DARD, annual poverty rate from DOLISA, disaster reports from DONRE). The baseline survey will serve as a benchmark for comparison for future evaluations and will be completed within year one. A midterm survey will inform the Mid-Term Review to be held during year three to understand progress made against the project's development objective and allow timely adjustments as it may be required. The endline survey will feed into the project completion at the end of the implementation period. Baseline, midterm and endline surveys shall be compliant with IFAD's Core Outcome Indicators (COI) guidelines, include selected COI indicators and questionnaire relevant to the project's results framework, and must follow the same methodology. PMU will give specific attention to indicators related to mainstreaming commitments (gender and youth empowerment) and will submit the methodology and proposed survey sample for IFAD's No Objection. Surveys will be outsourced through contracting however PMUs will be responsible for overseeing their implementation and ensuring timely delivery of survey results. Thematic studies could be undertaken from year three to six and will serve to analyse the progress of the project, review the key interventions and generate evidence on effectiveness and impact. Any co-benefits generated by the project such as in nutrition, climate mitigation, job creation, will be captured and recorded in the M&E system.
162. All people-specific indicators will be disaggregated into male, female, youth. Household indicators will be disaggregated into woman-headed household, non-woman-headed household, poor and near-poor household, and ethnic minority household. The PMU will include a staff (or a technical assistance) to support mainstreaming gender and social inclusion in the project activities, developing the Gender Action Plan and Youth Action Plan, and monitoring their implementation.
163. **Learning, Knowledge Management and Communication.** Learning and KM will be carried out throughout execution and will be a central part of the project approach. The project will promote knowledge transfer to water users in operation and maintenance for irrigation and flood control, sustainable water use, water regulation, conflict management, group communication. The project will generate evidence and carry out extensive baseline assessments through feasibility and technical studies on integrated water management, gender norms assessment, climate information and early warning systems, agricultural value chains and production models mapping. Updated disaster risk maps (flood, drought, saline intrusion) and regular information from water monitoring systems will be generated, analyzed, packaged, and disseminated to a wider audience in the target Provinces. Briefing notes, action plans and strategies will be generated through the multi-stakeholder platforms established for integrated water management and value chain development and will be feeding into the Socio-Economic

Development Plans at Commune, District and Province levels and support institutional coordination and planning. To promote adoption of sustainable water management and climate smart agriculture technologies and practices, rooted in individual and community behavioral change, learning and KM will be strengthened through extension services, trainings, exchange visits, peer learning, awareness campaigns and trade fairs.

164. Each PMU will develop a comprehensive KM and Communication (KMC) Strategy during the early implementation stage, anchored in the M&E system and integrating elements from the Gender and Youth Action Plans. Subject to the availability of grant financing, PMUs could benefit from a dedicated international technical assistance to support KMC Strategy development. The document will be consolidated at the project level to ensure harmonization of approaches and foster knowledge transfer. Experience and best practices of similar projects in the country and the region will be considered to enhance learning, KM and communication. The project will support capacity building for systematic learning and knowledge management in CPCs, DPCs, FU, WU, CA, DARD, DONRE, and other relevant stakeholder institutions.
165. In terms of resource allocations, counterpart funds will be financing critical feasibility studies and safeguard requirements and will contribute salaries and allowances for M&E staff at PMU and sub-PMU levels, operational costs for project management and regular monitoring of project activities at all levels. IFAD country office will provide support to PMU for setting up MIS database, reviewing key project documents (PIM, M&E plan, KM plan, AWPB, PP, GAP), and building capacity of M&E staff at PMU and sub-PMU levels. Grant co-financing will be mobilized to implement M&E and KMC plans and cover activities such as baseline and follow-up surveys, thematic studies and impact assessments, KM and social inclusion officer salaries and allowances, capacity building of grassroots institutions co-implementing project activities, and development and dissemination of KM products.

b. Innovation and scaling up

166. CRWIS will be the first IFAD-funded project implemented in the two target Provinces. Two out of the five pillars of IFAD investments in Vietnam, introduced and implemented over the last 30 years, will be directly implemented by CRWIS: (i) community infrastructures, and (ii) socio-economic development planning and value chain planning. The remaining three key interventions (private sector financing, co-financed rural collaborative groups, and microfinance) are implemented by the ongoing two projects (CSSP and CSAT) and will be integrated into the NTPs for CRWIS target Provinces. In terms of operational linkages, guidelines and KM products developed by past and ongoing projects will be transferred and handed over to CRWIS, and cross-exchange, direct coaching and technical assistance will be included in the capacity building plans. Together with CSSP in the North and CSAT in the South, experience from CRWIS (in the Central region of Vietnam) will strengthen the evidence generated by IFAD projects for policy engagement.
167. By leveraging grant co-financing, the project will promote innovative technologies and practices in early warning system for climate-vulnerable communities, and in water supply system, water management and agricultural production to improve resilience of smallholder farmers to climate change (drip irrigation, rooftop water harvesting, laser land leveling, net house horticulture, rice-fish farming, flood and/or drought tolerant varieties, etc.). The CIEWS will combine the use of technologies for analyzing historic trends and real-time data to build disaster risk maps, infrastructure and equipment for improved water monitoring, digital tools for large-scale and timely dissemination of early warnings and climate information, with a possibility of testing and upscaling innovative low-cost methods and approaches for water monitoring. These innovations will be piloted in the project's target Districts and Communes and present a high potential for scaling up to neighboring Districts within the same watersheds, as well as beyond the Provinces.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

168. A Stakeholder Engagement Plan (SEP) has been prepared to ensure project stakeholders (including affected stakeholders and interested stakeholders) are identified and engaged actively during project design and implementation. The SEP, in particular, focuses on the interest, influence and impacts of vulnerable/disadvantaged groups (e.g. ethnic minorities, female-headed households, elderly) to ensure they are included in consultation, planning and implementation of project investment that affect them – positively as beneficiaries, and/or adversely as people who lose part of their land for upgraded irrigation canal, or temporary loss of income due to restricted water access during construction phase. The SEP also set out methods to consult with project stakeholders, solicit feedback from them for subproject design, implementation, including how they can submit grievance related to project design and implementation.
169. The SEP requires Provincial Project Management of Thanh Hoa and Nghe An province to take lead to ensure continuous engagement of project stakeholder take place and relation with project stakeholders is maintained with both project target group, local authorities and community at village level (e.g. ethnic minority community in Chau Khe commune, Con Cuong district, Nghe An province).
170. Target group to be selected will be based on criteria set forth during project design. Poor, near-poor and vulnerable/disadvantaged groups are the priority target groups. The SEP identify vulnerable and disadvantaged group and proposed methods to ensure that are engaged reiteratively during project implementation (subproject level) to provide feedback to investment design that affect them.
171. All SECAP documents, such as Ethnic Minority Plan, site-specific Environmental and Social Management Plan, and other documents such as Resettlement Plan, Stakeholder Engagement Plan, FPIC Implementation plan will be disclosed locally at subproject level and project level before subproject implementation. As consultation will be repeated for a target group from time to time as the subproject evolves, consulted people will be updated on issues that raised in previous consultation meetings to ensure their concerns, including grievances are addressed timely and appropriately.

b. Grievance redress.

172. A project-level grievance redress mechanism has been designed and included in Stakeholder Engagement Plan, and respectively in Ethnic Minority Plan and Resettlement Plan to ensure key risks and impacts that are identified under the project are addressed timely and appropriately. A project-level grievance redress mechanism is established to respond to risks and address impacts, such impacts related to land acquisition, risks concerning labor and working conditions, SEA/SH. Resolution of grievance has a time limit for each step, allowing aggrieved person to track their grievance redress resolution progress.
173. Four procedures have been established for this project: i) procedures related to land acquisition, temporary restricted irrigation access, ii) procedures for resolving complaints of project workers, iii) procedures for grievances related to gender-based violence, and iv) procedure for general complaints. These procedures are designed for aggrieved persons to ensure: a) availability of various channels to lodge complaints, b) possibility to submit grievance verbally or in writing, c) possibility to delegate a representative who act on their behalf, d) their grievance is acknowledged within 5 days from the date of complaint receipt, e) they bear no cost for grievance resolution, and f) there is an appeal process. A grievance redress logbook will be established and under management of PMU Grievance Focal Point to monitor resolution process.
174. The section should also describe: i) how the project will make information about the existence and functioning of such processes (including regarding project, government and IFAD whistle-blower protection measures, and confidential reporting channels) readily available to project affected populations; ii) measures to promote ease of access, fairness, and transparency of such processes and mechanisms.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

175. CRWIS is expected to start in January 2025 and has a planned duration of six years. To facilitate a swift start, this Project Design Report includes: (i) a specification of activities to be financed prior to project effectiveness through a Project start up finance; (ii) a draft Annual Work Plan and Budget for the 1st year, included in Annex 6; and (iii) a draft 18-month Procurement Plan (Annex 7), and a draft Project Implementation Manual (PIM) in Annex 8.
176. The IFAD loan for CRWIS is scheduled for assessment and approval by the IFAD Executive Board in April 2024. Approval by GoV for the IFAD Financing Agreement and inclusion in the national and provincial investment plans and budget 2021-2025 are expected to be obtained during Q4 2024.
177. During the time between approval of the IFAD PDR by management and project start-up, each provincial PPC will establish the respective PMU. The latter prepares a Start-up plan, detailing the activities towards implementation start-up. These include the finalization of the draft PIM, opening of the designated and project accounts, set up of M&E, financial and procurement management, AWPB, and procurement plan. The PMU with stakeholders and target communities prepare the local planning exercises including the water management plans, value chain action plans.
178. In terms of sequencing of activities, under Component 1, infrastructure rehabilitation and construction works will start only when sub-projects' feasibilities are confirmed and consequent detailed designs are elaborated. Works at farm level (tertiary canals, land leveling when needed, etc.) will be implemented by beneficiaries simultaneously with Head works (Pumping stations, intake structures, main and branch canals, etc.). The implementation of infrastructure works under Sub-Component 1.1 (Irrigation) and under 1.2 (Dikes rehabilitation) are independent. Under Component 2, activities related to strengthening institutional capacity in integrated water management (at landscape level), provision of updated climate information and early warning services, and establishment of 4P platforms will be implemented independently from Component 1. Strengthening the capacity of water users will be initiated simultaneously as Component 1 to ensure participation and empowerment of beneficiaries in the planning, construction, and completion stages. At the planning stage, O&M training focuses more on awareness raising that helps users be better informed and understood about the design of the infrastructure schemes. And lastly, for CSA selection and value chain action planning, the processes will be initiated prior to completion of infrastructure works. As the project will also provide small-scale equipment and input support through grant financing and NTP contributions, depending on the selected farming activities, they can be implemented independently.
179. Supervision and Implementation Support. IFAD and GoV will jointly supervise the Project to assess achievements and lessons learned and, when required, provide implementation support with the objective of ensuring effective Project implementation and increase the likelihood of achieving the target objective. The supervision missions will assess overall physical and financial performance, identify challenges and propose measures to address them. They will be geared towards ensuring the project compliance with all fiduciary aspects of the financing agreements. Standard IFAD procedures for project supervision will be used covering all aspects of implementation including SECAP requirements. Missions would be fielded at least once every twelve months. However, and depending on the extent and quality of implementation progress, implementation support Missions would be fielded as frequently as warranted by conditions on the ground so as to address any emergent issues that may have the potential to negatively impacts Project implementation. The ICO will be supported by the regional FMD team for financial management and the IFAD SKD team in addition to local and international consultants as needed.
180. Mid-Term Review (MTR). An MTR will be undertaken halfway through Project implementation; it will be led by the Government but with the participation of IFAD. It will evaluate whether the Project is on course to achieve the objectives. During the MTR, particular emphasis will be put on assessing sustainability and the extent of implementing the exit strategy. This would be critically important, especially for those investments that have a public good nature and would require continuous involvement of the Government after the formal Project completion date. Overall, the MTR process will seek to identify any prevailing constraints and recommend such re-orientation as may be required to help the Project get back on course to achieve its objectives.
181. Project Completion Plans. Undertaking of the Project Completion Review (PCR) exercise at the end of the Project implementation will be led by the PMU, but in close coordination with IFAD. The main purposes of the completion review process will be to promote accountability, reflect on performance and elicit lessons learned to inform future project design and to define an appropriate post-project strategy. The learning dimension of the completion process will be used by both IFAD and GoV as the foundation for improvements in future project design and implementation. The completion review process will also be critical for identifying opportunities for scaling-up best practices. The PCR would need to be undertaken after Project completion but before the Project closure period. The PCR will be preceded by an outcome survey and be complemented with stakeholder consultations.

Footnotes

- [1] <https://www.worldbank.org/en/country/vietnam/overview>
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- [6] **Example:** For the CSSP project, and just by changing the national multidimensional poverty standards in 2021, the number of households classified as poor and near poor in Cao Bang province, increased by 34 percent !
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- [9] World Bank, 2019. ESIA Report. Rehabilitation of the Khe Gang Dam and Reservoir – Nghe An Province.
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- [11] FGDs from Nghe An province during PDR mission
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- [13] DOLISA in Nghe An and Thanh Hoa (World Bank 2011)
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- [29] <https://www.hec.usace.army.mil/software/hec-ras/default.aspx>
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Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 1: Logframe

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				MIS	Annual	PMU	
	Males	0	18450	36900				
	Females	0	18450	36900				
	Young	0	7380	14760				
	Not Young							
	Non-Indigenous people							
	Total number of persons receiving services	0	36900	73800				
	1.a Corresponding number of households reached				MIS, annual reports from DARD and DONRE (water use report, disaster report, etc.	Annual	PMU, DARD, DONRE	
	Women-headed households	0	2950	5900				
	Non-women-headed households	0	33950	67900				
	Households	0	36900	73800				
	1.b Estimated corresponding total number of households members				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
	Household members	0	139000	278000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Project Goal Contribute to climate resilience, water security and sustainable socio-economic development in Thanh Hoa and Nghe An	Smallholder households reporting increased resilience to climate, environmental and economic shocks				Outcome survey	Benchmark, Mid-term, Final	PMU	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes; local Governments are committed to implement their socio-economic development plans; policy dialogues will result in effective and actionable outputs for value chain development; market demand for the targeted value chains remains stable or increases to ensure profitability of smallholders' business models.
	Smallholder HH	0	18250	36500				
Smallholder households reporting increased income from targeted agricultural value chains				Outcome survey	Benchmark, Mid-term, Final	PCU		
Smallholder HH	0	20100	40200					
Development Objective Catalyze climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihood	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	
	Household members	0	129150	258300				
	Non-indigenous households							
	Non-women-headed households							
	Households (%)	0	50	100				
	Households (number)	0	36900	73800				
							Institutional framework is allowing communities to be fully engaged in value chain action planning and water user entities to implement community-led water management; local Governments are committed to implement their gender and social inclusion policies	

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	1.2.4 Households reporting an increase in production				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	and strategies. No extreme climate events, natural disasters or economic shocks affecting agricultural production; local Governments are committed to implement their National Target Programs and socio-economic development plans; farmers benefit from improved water availability and control and are able to access improved technologies, timely climate information and early warning system, adequate extension and advisory services; farm households are able to continue financing their part or all of the investments; private investors are interested in investing in business opportunities in smallholders agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in CSA; financial service providers remain interested to invest
	Total number of household members	0	70350	140700				
	Households	0	27	54				
	Women-headed households	0	1600	3200				
	Households	0	20100	40200				
	SF.2.1 Households satisfied with project-supported services				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	
	Household members	0	87937	175875				
	Non-indigenous households							
	Non-women-headed households							
	Women-headed households	0	2000	4000				
	Households (%)	0	37.5	75				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Households (number)	0	25125	50250				in project-targeted value chains. At least 75% of the 67,000 households directly receiving services promoted or supported by the project under Component 2 are reporting satisfaction.

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outcome 1. Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure	1.2.3 Households reporting reduced water shortage vis-à-vis production needs				Outcome & Impact survey with specific indicators measuring empowerment; annual report from DARD (plant production)	Benchmark, Mid-term, Final	PMU, DARD	Surface water remain sufficient to ensure water supply for all targeted irrigation schemes; farmers are able to access more water-efficient species or varieties (crops, livestock, aquaculture) and technologies; institutional framework is allowing water user entities to implement community-led water management. No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes.
	Households	0	37.5	75				
	Households	0	25000	50000				
	Total number of household members	0	87500	175000				
	Women-headed households	0	2250	4500				
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU, DARD	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes.
	Households reporting improved physical access to markets	0	9.5	19				
	Jóvenes	0	7000	14000				
	Women-headed households	0	560	1120				
	Households reporting improved physical access to markets	0	7000	14000				
Output 1.1. Improved access to and efficiency of irrigation for smallholders	Households having improved access to irrigation				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes; local Governments are committed to implement their National Target Programs.
	Households	0	30	80				
	Households	0	20500	58800				
	Total number of household members	0	71750	205800				
	Women-headed households	0	1640	4700				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
	Hectares of land	0	4745	13257				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Irrigation and/or drainage canals (I or II) rehabilitated or upgraded				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
	Length of canals	0	49	98				
Output 1.2. Improved flood control and livelihoods protection	Sections of river dykes rehabilitated or upgraded				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes; local Governments are committed to implement their National Target Programs.
	Length of river dykes	0	9.8	24.8				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
	Hectares of land	0	860	3850				
	Households having agricultural and/or residential lands protected against floods and saline intrusion				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
	Households	0	4	20				
	Households	0	3000	15000				
	Total number of household members	0	10500	52500				
	Women-headed households -	0	240	4200				
	2.1.5 Roads constructed, rehabilitated or upgraded				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
Length of roads	0	9.8	33.8					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outcome 2A. Improved capacity and coordination for integrated water management	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				MIS, reports from PPC	Annual	PMU	Institutional framework is allowing communities to be fully engaged in value chain action planning and water user entities to implement community-led water management; local Governments are committed to implement their gender and social inclusion policies and strategies; non-lending resources are timely made available for project implementation; the local Governments will commit to create new job opportunities to strengthen climate information and early warning systems; increased business linkages between rural producer organizations and private sector will create new job opportunities.
	Number	0	4	8				
	IE.2.1 Individuals demonstrating an improvement in empowerment				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	
	Young	0	10	20				
	Young	0	6700	13400				
	Total persons	0	50	100				
	Total persons	0	33500	67000				
	Females	0	25	50				
	Females	0	16750	33500				
	Males	0	25	50				
	Males	0	16750	33500				
	2.2.1 Persons with new jobs/employment opportunities							
	Males	0	15	31				
	Females	0	15	31				
	Indigenous people	0	1	3				
	Young	0	5	10				
Total number of persons with new jobs/employment opportunities	0	30	62					

Results Hierarchy	Indicators				Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility				
Output 2.1. Improved local and institutional capacity and coordination mechanism for integrated, inclusive and climate-informed water management	Policy 1 Policy-relevant knowledge products completed				MIS	Annual	PMU	Institutional framework is allowing communities to be fully engaged in value chain action planning and water user entities to implement community-led water management; non-lending resources are timely made available for project implementation.			
	Number								0	1	3
	3.1.2 Persons provided with climate information services				MIS	Annual	PMU				
	Males								0	16750	36900
	Females								0	16750	36900
	Young								0	6700	14760
Persons provided with climate information services				0	33500	73800					
Output 2.2. Improved capacity and coordination for integrated water management	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks				MIS	Annual	PMU	Institutional framework is allowing communities to be fully engaged in value chain action planning and water user entities to implement community-led water management; non-lending resources are timely made available for project implementation.			
	Total size of groups								0	4000	8000
	Groups supported								0	80	160
	Males								0	2000	4000
	Females								0	2000	4000
	Young								0	800	1600
	Groups headed by women								0	24	48
Outcome 2B. Strengthened resilience of smallholders' agricultural businesses	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				Outcome and impact survey	Benchmark, Mid-term, Final	PMU, DARD	Local Governments are committed to implement their socio-economic development plans; policy dialogues will result in effective and actionable outputs for value			
	Total number of household members								0	29750	59500
	Households								0	11.6	23.2

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Women-headed households	0	650	1300				Compare for value chain development; market demand for the targeted value chains remains
	Households	0	8500	17000				stable or increases to ensure profitability of smallholders' business models; capacity building on CSA technologies and practices combined with an enabling environment and market opportunities will translate into adoption and replication of profitable business models by smallholders; farm households are able to continue financing their part or all of the investments; private investors are interested in investing in business opportunities in smallholders agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in CSA; financial service providers remain interested to invest
	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities				Outcome and impact survey	Benchmark, Mid-term, Final	PMU, DARD	
	Number of POs	0	10	25				

Results Hierarchy	Indicators				Means of Verification			Assumptions <small>In project-targeted value chains.</small>
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Women in leadership position	0	10	15				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output 2.3. Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge	1.1.4 Persons trained in production practices and/or technologies				MIS	Annual	PMU, DARD	No extreme climate events, natural disasters or economic shocks affecting agricultural production; local Governments are committed to implement their National Target Programs and socio-economic development plans; non-lending resources are timely made available for project implementation;
	Total number of persons trained by the project	0	33500	73800				
	Total number of attendances to training sessions	0	33500	73800				
	Men trained in crop	0	16750	36900				
	Women trained in crop	0	16750	36900				
	Young people trained in crop	0	6700	14760				
	Total persons trained in crop	0	33500	73800				
	3.1.4 Land brought under climate-resilient practices				MIS	Annual	PMU, DARD	policy dialogues will result in effective and actionable outputs for value chain development; market demand for the targeted value chains remains stable or increases to ensure profitability of smallholders' business models; farmers benefit from improved water availability and control and are able to access improved technologies, timely climate information and early warning system, adequate extension and
	Hectares of land	0	7000	15000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
								advisory services; farm households are able to continue financing their part or all of the investments; private investors are interested in investing in business opportunities in smallholders agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in CSA; financial service providers remain interested to invest in project-targeted value chains.
Output 2.4. Increased smallholder farmers' income from facilitated business linkages with the private sector	2.1.3 Rural producers' organizations supported				MIS	Annual	PMU, DARD	No extreme climate events, natural disasters or economic shocks affecting agricultural production; local Governments are committed to implement their National Target Programs and socio-economic development plans; non-lending resources are timely made available for project implementation; policy dialogues will result in effective and actionable
	Total size of POs	0	2000	4000				
	Rural POs supported	0	40	80				
	Males	0	1000	2000				
	Females	0	1000	2000				
	Young	0	400	800				
	Policy 2 Functioning multi-stakeholder platforms supported				MIS	Annual	PMU, DARD	
	Number	0	4	7				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
								<p>outputs for value chain development; market demand for the targeted value chains remains stable or increases to ensure profitability of smallholders' business models; farmers benefit from improved water availability and control and are able to access improved technologies, timely climate information and early warning system, adequate extension and advisory services; farm households are able to continue financing their part or all of the investments; private investors are interested in investing in business opportunities in smallholders agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in CSA; financial service providers remain interested to invest in project-targeted value chains.</p>

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 2: Theory of change

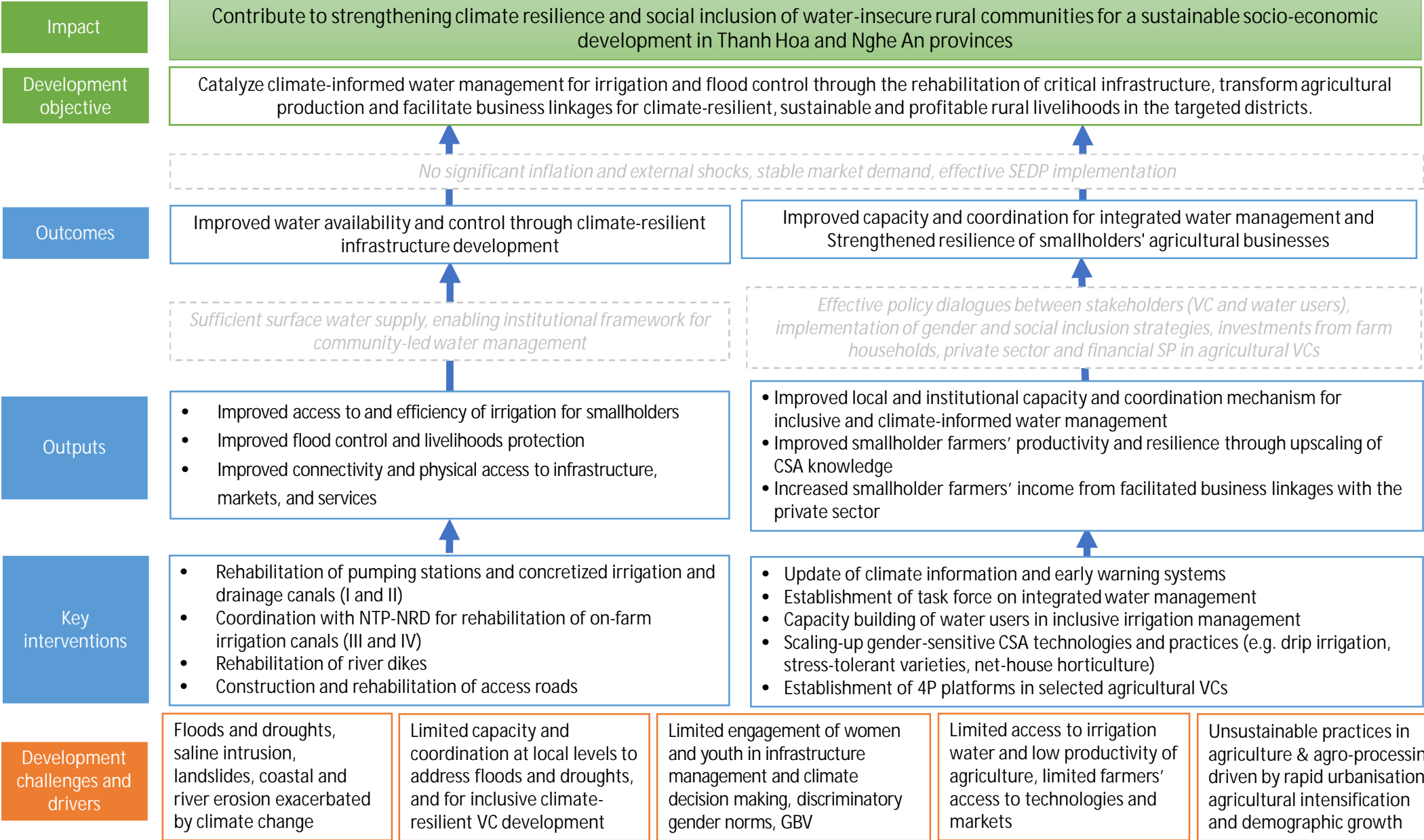
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Programme Management Department



Targeting: climate-vulnerable households including 20% youth and 50% women

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

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Programme Management Department

Annex 3: Project Cost and Financing: Detailed Cost Tables

A. Introduction

1. This appendix presents the CRWIS cost estimate, carried out with the Costab programme, based on the assumptions and objectives of the CRWIS activities developed during the formulation mission in November-December 2023.

2. The first part of this report presents the basic assumptions regarding the start date and duration of the project, provisions for physical contingencies and price increases, the official exchange rate, unit costs, categories of expenditure, and the share of taxes and foreign exchange in total costs. The second part summarizes the results of the project cost estimate by component and source of funding.

3. The CRWIS project will be implemented over a six-year period. Total project costs are estimated at USD 82.9 million. Physical contingencies amount to USD 2.85 million corresponding to 4% of project base costs, and price contingencies amount to USD 7.19 million corresponding to 10% of project base costs. Investment costs and recurrent cost have been estimated at USD 77.07 million and USD 5.82 million corresponding respectively to 93% and 7% of total costs.

Table 1: Total project costs

	IFAD loan		Counterpart funds				Counterpart (in kind)				Beneficiaries				AF grant				Financing gap				Total	For. Exch.	Local (Excl. Taxes)	Duties & Taxes				
	Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An		Thanh Hoa		Nghe An											
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%										
1. Improved water availability and control through climate-resilient infrastructure development																														
1. Improved access to and efficiency of irrigation water for smallholders	9,085	18.9	25,000	52.1	1,785	3.7	5,382	11.2	-	-	-	-	749	1.6	1,515	3.2	-	-	-	-	143	0.3	4,338	9.0	47,999	57.9	-	43,199	4,800	
2. Improved flood control and livelihoods protection	10,915	83.3	-	-	2,150	16.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32	0.2	-	-	13,097	15.8	-	11,787	1,310	
Subtotal	20,000	32.7	25,000	40.9	3,935	6.4	5,382	8.8	-	-	-	-	749	1.2	1,515	2.5	-	-	-	-	175	0.3	4,338	7.1	61,096	73.7	-	54,986	6,110	
2. Climate-resilient rural livelihoods																														
coordination for integrated water management	-	-	-	-	100	1.8	100	1.8	-	-	-	-	-	-	-	-	-	1,837	32.5	3,298	58.3	159	2.8	159	2.8	5,652	6.8	7	5,209	436
2. Strengthened resilience of smallholders' agricultural businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,155	14.2	1,546	19.0	2,135	26.2	3,308	40.6	8,144	9.8	-	8,144	-
Subtotal	-	-	-	-	100	0.7	100	0.7	-	-	-	-	-	-	-	-	-	2,992	21.7	4,843	35.1	2,294	16.6	3,467	25.1	13,796	16.6	7	13,353	436
3. Project management																														
1. Monitoring & Evaluation and Knowledge Management	-	-	-	-	423	17.4	440	18.1	-	-	-	-	-	-	-	-	-	609	25.0	646	26.5	142	5.8	176	7.2	2,438	2.9	56	2,381	-
2. Project Management	-	-	-	-	2,064	37.0	2,252	40.4	77	1.4	77	1.4	-	-	-	-	-	455	8.2	455	8.2	96	1.7	96	1.7	5,571	6.7	667	4,869	35
Subtotal	-	-	-	-	2,487	31.1	2,692	33.6	77	1.0	77	1.0	-	-	-	-	-	1,064	13.3	1,101	13.7	239	3.0	273	3.4	8,008	9.7	723	7,251	35
Total PROJECT COSTS	20,000	24.1	25,000	30.2	6,521	7.9	8,174	9.9	77	0.1	77	0.1	749	0.9	1,515	1.8	4,056	4.9	5,944	7.2	2,708	3.3	8,078	9.7	82,900	100.0	730	75,590	6,580	

B. Costing assumptions

4. Costab was prepared in VND/USD, aligning with the Costab of IFAD's previous projects in Viet Nam: RECAF and CSAT. The project cost includes the investment costs and the recurrent costs. The calculations rely on the following main assumptions:

5. The project is expected to be presented to IFAD's Executive Board in 2024. It is estimated that the project will be able to start its activities in the beginning of 2025 for a period of six years of implementation.

6. The cost estimates are essentially based on the costs of activities provided during the project design mission by the PPC and the technical experts of each component, and the costs of previous IFAD-funded projects in Viet Nam.

7. The estimated costs are indicative and should be considered as financial envelopes by component, sub-component and activity. Even when quantities and unit costs are specified in the detailed cost tables, it is the overall amount expected for the activity that must be

considered. The detailed planning of the activities will be carried out during the implementation of the project, in particular, including the reality of the fields and the demands expressed by the target groups.

8. The estimated costs include all taxes i.e. they include import duties and taxes, value added tax (VAT) and direct taxes.

9. The unit prices of goods and services were entered in the Costab in VND. The foreign currency of Costab is USD.

10. The salaries of project staff are aligned with those of the IFAD's previous project in Viet Nam, including annual inflation.

11. Provisions for price increases, commonly referred to as "financial contingencies", include the effects of inflation at national and international level. They are calculated by Costab on the basis of national and international inflation forecasts from the World Economic Outlook Database. The inflation rate used is 4 percent per year for the local currency, and 2 percent for the foreign currency, based on inflation rate of developed countries. These inflation rates were used over the life of the project because it is difficult to make accurate projections.

12. Provisions for physical contingencies are intended to correct possible errors in the quantities and/or methods of implementation of the project. Generally expressed as a percentage of the basic cost, they are applied to the equipment purchase and infrastructure works where the cost is likely to deviate from the basic cost due to possible difficulties in the execution of the project.

13. The exchange rate has been estimated to 23213 VND for 1 USD using the average exchange rate from 2020 to 2022 of the World Development Indicators Database.

14. The share in foreign currency of the project cost consists of the direct and indirect costs of imported goods and services that are incorporated into the project cost. The definition of the categories of expenditure was made on the basis of IFAD's standard categories, adapting it to the specificities of the project.

15. The below Table shows the expense categories and rates for physical contingencies, taxes and foreign currency shares. The taxes presented in the expenditure categories correspond to VAT financed by the government.

Table 2: Expenditure account

Expenditure accounts	Price Contingencies	Physical Contingencies	Taxes	Foreign Exchange
I. Investment Costs				
A. CIVIL WORKS	Standard	5	10	25
B. EQUIPEMENT & MATERIALS	Standard	5	10	50
C. WORKSHOPS & TRAINING	Standard	0	0	0
D. CONSULTANCIES	Standard	0	0	0
E. GRANT & SUBSIDIES	Standard	0	0	0
II. Recurrent Costs				
A. OPERATING COSTS	Standard	0	0	20

C. Project costs

16. The CRWIS project will be financed by an IFAD loan of USD 45 million over four years of the implementation period (from the 2nd to the 5th year), a grant from the Adaptation Fund of USD 10 million, a counterpart fund from both provinces of USD 14.85 million, beneficiaries' contribution of USD 2.26 million and a financing gap of USD 10.79 million. The PDT has identified the Adaptation Fund as the main potential grant co-financier based on the alignment of the project objectives and activities to AF priorities for climate adaptation, the expressed

Table 5: Project costs by component and year (Thousands of United States dollars)

	2025	2026	2027	2028	2029	2030	Total
1. Improved water availability and control through climate-resilient infrastructure development							
1.1 Improved access to and efficiency of irrigation water for smallholders	1 232	14 486	18 216	14 064	-	-	47 999
1.2 Improved flood control and livelihoods protection	392	4 372	4 085	4 248	-	-	13 097
Subtotal	1 624	18 858	22 301	18 313	-	-	61 096
2. Climate-resilient rural livelihoods							
2.1 Improved capacity and coordination for integrated water management	226	665	4 460	94	114	93	5 652
2.2 Strengthened resilience of smallholders' agricultural businesses	428	1 003	3 133	2 825	403	352	8 144
Subtotal	654	1 668	7 593	2 918	517	445	13 796
3. Project management							
3.1 Monitoring & Evaluation and Knowledge Management	376	466	386	366	380	464	2 438
3.2 Project Management	1 027	844	887	909	955	949	5 571
Subtotal	1 403	1 310	1 273	1 275	1 335	1 412	8 008
Total PROJECT COSTS	3 681	21 836	31 167	22 506	1 852	1 858	82 900

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 4: Economic and Financial Analysis

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Programme Management Department

Vietnam

Climate Resilient and Inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)

Annex 4. ECONOMIC & FINANCIAL ANALYSIS (EFA)

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Introduction

1. The Economic and Financial Analysis (EFA) summarizes the methodology and results of the potentials benefits of the CRWIS project in the provinces of Thanh Hao and Nghe An. This project of 6 years period will be financed by an IFAD loan of USD 45 million over a period of 4 years (2nd to 5th year), an AF grant of USD 10 million, a financing gap of USD 12.6 million, in addition to the Provincial counterpart funding and Beneficiaries contributions. The total project cost, inclusive of in kind co-financing, amounts to USD 82.88 million.
2. The objective of the analysis is to identify, estimate and compare the costs and benefits of the project in order to assess its viability from the point of view of the beneficiaries (financial analysis) and from the point of view of the provincial and national economy (economic analysis).
3. The EFA uses the costs benefits methodology to quantify the overall benefits of the project. For each main investment, one or several representative models showing the project activities have been developed. Each model, include a without-project (WOP) situation compared to a with-project (WP) situation. In one hand, the WOP presents the scenario of the beneficiaries' activities without the project, we have mainly collected the data on the trend of their current practices and outcomes. In the other hand, the WP situations describe the expected outcomes and practice of the beneficiaries if the project is implemented. The activities (models) are considered profitable, if taking to account the costs of additional investments and labour needed, the beneficiaries make more profits in the WP situation compared to the WOP situation.
4. The data use for the EFA have been collected from different sources. Some information, mainly the farm activities practices, has been collected directly from the beneficiaries' during the field visit of the design mission. Additionally, the statistics received from different provincial departments (or downloaded from their websites) have been used in addition to relevant information collected from other IFAD projects in Vietnam.
5. The project benefits have been calculated from 11 models, mainly from Component 1, exclusively financing infrastructure development. The models prepared, capture the activities around the irrigation and the dikes investments. Regarding Component 2, mainly financed by the AF grant and the financing gap, one model on market linkage has been developed in both provinces. The EFA describes key assumptions concerning yields, average size of farms, production practices under two scenarios (with and without project). Incremental benefits include mainly loss reduction, increase in yields, increase in prices and sales in addition to land-use expansion.
6. For both of provinces, the project interventions' benefits were analyzed based on the planned investment in each province. The overall project benefits was estimated by combining the benefits from both provinces.
7. The present Annex is structured as follows: 1) presentation of the project beneficiaries and main intervention; 2) methodology and results of the financial analysis; and 3) Discussion of the results of the economic analysis. Additionally, the benefits for special groups, including women, youth and indigenous people, will be depicted. Finally, the outcomes of the sensitivity analyses will be presented along with the related limitations.

Table 1. Production parameters of models, with-project

Component	Provinces	Investment	Models	Situation	
				Without project	With project
Component 1	Thanh Hoa	Improve efficient acces to irrigation: Pump and canals	Crop production	2 cycles of rice production on 1 ha	2 cycles of rice production on 1 ha
			Crop production	2 cycles of rice production on 1 ha	2 cycles of rice production on 1 ha and 1 cycle of fish production in a 0.05 ha pond
			Crop production	2 cycles of rice production on 1 ha	2 cycles of rice production one 1 ha and 1 cycle of cabbage production in 0.1 ha
			Aquaculture	2 cycle of Fish production in a 0.05 ha of pond	2 cycle of Fish production in a 0.05 ha of pond
	Prevention and control of floods control and saline intrusion: Dikes and sluice gates	Crop production	3 cycles of corn production on 1 ha	3 cycles of corn production on 1 ha	
		Crop production	2 cycles of rice production on 1 ha	2 cycles of rice production on 1 ha	
	Nghe An	Improve efficient acces to irrigation: Pump and canals	Crop production	2 cycles of rice production on 1 ha	2 cycles of rice production on 1 ha
			Crop production	3 cycles of corn production on 1 ha	3 cycles of corn production on 1 ha
Crop production			2 cycles of rice production on 1 ha	2 cycles of rice production on 1 ha and 1 cycle of cabbage production in 0.1 ha	
Component 2	Thanh Hoa	Facilitate access to farm and to market: Road	Crops and aquaculture products sale	Rice, corn and fish sale in the local market	Rice, corn, cabbage, and fish sale in the local and big markets
	Nghe An	Facilitate access to farm and to market: Road	Crops sale	Rice and corn sale in the local market	Rice, corn and cabbage sale in the local and big markets

1. Beneficiaries and project intervention

8. The CRWIS is targeting a total of 278 000 direct beneficiaries (including 50 percent female and 20 percent of youth) corresponding to around 73 800 beneficiary households in the provinces of Thanh Hao and Nghe An. For the scope of EFA, it is important to mention that only the direct benefits were modelled due to the difficulty to get a reliable estimation of indirect benefits related to some project's interventions. The cost per beneficiary is around USD 298/beneficiary, while beneficiary household's cost is estimated to be around USD 1,123/HH.

9. The project intervention area, Thanh Hoa and Nghe An provinces, are facing extreme climate events including floods, drought, salinity intrusion and landslides that threaten farmers activities and livelihood. One of the main issues the farmers are facing are the lack of sustainable water source for their production. Most of the current infrastructures are old and do not function efficiently to satisfy the need of water. This situation impacts their productivity and reduce the potential arable land. The project aims to rehabilitate the irrigation infrastructures that will lead to a sustainable water source. The hard investment on infrastructure building, accompanying with the soft activities on capacity building on water management will overcome the water issues of the farmers. In addition, the project aims to reduce farmers vulnerability to climate change through an innovative climate information dissemination, the capacity building on water resource management, climate smart agriculture and promote market linkage.

2. Financial Analysis

2.1 Methodology

10. The EFA follows the guiding principles of Gittinger (1982)¹ and is in line with more recent guidelines published on economic and financial analysis by IFAD². The financial analysis is based on the comparison of the benefits obtained in the WP and WOP situations. It aims to assess the impact of the adoption of activities and practices proposed by the project on the financial outcome of the individual beneficiaries. This analysis ensures that each beneficiary will be better off and reach a significant benefit with the project. The financial analysis is carried out over a period of 10 years with a discount rate of 10% which approximate the average interest rate on medium-term loans (1 year) in Vietnam³.

11. Investment and operating expenses as well as revenues, valued at market prices, were calculated in the WP and WOP situations. Then, the margins were calculated by subtracting revenues and expenses, year by year.

12. The additional margins were calculated for each year, by subtracting the margins of the WOP situation from the margins of the WP situation. The net present value (NPV) and the internal rate of return (IRR) were calculated on the additional margins of each model.

2.2 Models' description and assumption

13. Infrastructures costs: For each main investment, we have built financial model(s) for the beneficiaries' activities. The financial models include the costs of construction of infrastructures, even if they have not been financed directly by producers and/or the community.

14. Self-consumption: For each farm model, we have included an estimation of the household consumption. Most of the farmers self-consume a part of their production. For example, the staple crops like rice are produced primarily for their own consumption, while crops like corn are cultivate as food but also for livestock feed. The self-consumption amount has been value at market price.

15. Labour: We have made the difference between the hired and the family labour. The family labour requirements are presented in the crop budgets and added in the models to show the expected incremental change due to the project. The opportunity cost of family labour is valued at 132,000 VND per day, while hired labour is valued at 220,000 VND per day.

16. Seasonal jobs: The models also include seasonal off-farm opportunity estimation. The farmers are engaged in seasonal jobs mainly in construction sector. In general, we have estimated less time for the seasonal jobs to account for the need of farming under the project intervention.

17. Yields: For rice and corn model, we have used the average yield in the provinces as the benchmark for the yield in the situation without project. We have then considered an incremental increase in yield through the project implementation years and based on the type of investment. However, we have included only few increases since the productivity is in general already higher for the variety of crops that are farmed in the provinces.

18. Cash flows and daily revenue: For all of the farming models, we have estimated the net and additional cash flow under the project implementation. The models represent a negative cash flow for the first year due to the cost of infrastructure investment (that won't be financed

¹ Gittinger, P. 1982. *Economic Analysis of Agricultural Projects*.

² IFAD. 2015. *Economic and Financial Analysis of Rural Investment Projects, Basic Concepts and Rationale*.

³ In 2022, the average lending interest rates in VND applied by credit institutions were between 7.7 – 9.2% p.a. for new loans and existing loan outstandings.

by the producers them-self, except for the on-farm irrigation canals). However, there is an increasing positive cash flow starting from the second year. The daily revenue from the activities also presents an average rate greater than the wage' from the seasonal job. The following table presents the different models considered in the present analysis;

Table 2. Models' assumption on yields, land size, lost and price change

Financial models		increase in Yields		Land use		Losses		Increase in Price	
		WOP	WP	WOP	WP	WOP	WP	WOP	WP
Thanh Hoa									
Market linkage									
Irrigation	Rice	0%	5% to 8%	70%	90%	10%	10%	0%	2-5%
Irrigation	Rice+Cabbage	0%	5% to 8%	70%	90%	10%	10%		
Dikes	Rice+Fish	0%	2% to 5%	80%	85%	25%	10%		
Dikes	Fish	0%	2% to 5%	80%	85%	25%	10%		
Dikes	Corn	0%	2% to 5%	80%	85%	25%	10%		
Dikes	Rice	0%	2% to 5%	80%	85%				
Nghe An									
Market linkage									
Irrigation	Rice	0%	5% to 8%	70%	90%	10%	10%	0%	2-5%
Irrigation	Rice+Cabbage	0%	5% to 8%	70%	90%	10%	10%		
Irrigation	Corn	0%	5% to 8%	70%	90%	10%	10%		

19. The analysis focuses on the infrastructure investments under component 1. These consist mainly in: Irrigation/Water infrastructure and Dikes. The activities under Component 2 are mainly "soft investments" that will strengthen the impact of the component 1 investments. Roads construction and market linkage impacts have been modelled.

20. The models have considered a representative cropping farm of 1 hectare, 0.1 hectare of vegetable and 0.05 hectare for fish pond. However, during the field mission, the information collected show that in average, households harvest small plots size (less than 0.1 hectare). Thus, the model don't necessary represent the activity from a single household perspective.

21. With the project intervention, it is estimated that some farmers will continue producing the staple crops like rice and corn while other will also add more higher values crops as vegetable or fish farming with the availability of a stable water source.

22. Irrigation infrastructures and canals: The CRWIS project will invest in water infrastructure by upgrading different pumping stations and irrigation canals that will provide a sustainable water supply for around 9 720 hectares in Nghe An and 3 537 hectares in Thanh Hoa. The average cost of irrigation infrastructure for 1 hectare of farm is USD 3 035 for Nghe An and USD 2 646 for Thanh Hoa. The financial models on the irrigation infrastructure include an increase of productivity of 5% to 8%, an increase of land used size from 70% to 90%, and for some models an additional production cycle for a higher value crop. For Thanh Hoa the financial models include in one hand the case were the farmers still farmed a single product like rice or of fish, and in the other hand we have the models where they have moved from rice production to multiple productions like rice + cabbage or rice + fish. For Nghe An, we have represented farmers continuing single crops production of corn and rice, and them, we have the model were the farmers producing rice, add a cycle of cabbage.

23. Dikes impact: In the province of Thanh Hoa, the project will upgrade 34.8 km of dikes. The investments are costly (average cost of USD 300 688 per km) but have advantage of protecting the agricultural production land against floods and salinity intrusion. They also serve as roads and contribute to increase the accessibility of the production area. It is estimated that the investment in the dikes will protect around 6 600 hectares of agricultural land. We have developed the models of rice and corn farming around the dike's investments. With the project, the production lost is expected to decrease from an average of 25% to around 10%. We have assumed that the investment will lead to a small increase of the harvested land from 80% to 85% because of use of the land that were difficult to access or

were frequently threaten by floods. The model also accounts for a little increase in productivity from 2% to 5%.

24. Road and market linkage impact: To account for the market linkage activities through the 4P platform and the investment in dikes and other infrastructures, we have built a model on farmers accessibility to cities' markets (big markets). We have assumed that in the situation without the project, they sell their entire products in the local market with a low price. In case of the project, they sell one part in the local market, and the other part in the big market (10 % for both provinces) with an increase of price to up to 5%.

2.3 Results

25. The following table summarizes the financial performance of the household models, using the following indicators: internal rate of return (IRR) and Net Present Value (NPV). The financial analysis indicates that all the activities proposed by the project are profitable, with the Net Present Value (NPV) ranging from USD 157 to USD 85 050, and the Internal Rate of Return (IRR) ranging from 12% to 41%. Beside the model on the market linkage, the NVP per investment is highest for the rice and cabbage cultivation under the irrigation scheme, estimated to 2363 USD/Ha in Thanh Hoa and 1686 USD/Ha in Nghe An, and representing respectively an IRR of 38% and 30%.

Table 3. Financial Analysis Results

Financial models		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10-20	NPV millions			
												VND 10%	NPV USD	IRR	
Thanh Hoa															
Market linkage		304	314	326	326	326	326	326	326	326	326	326	1,974	85,050	#NUM!
Irrigation	Rice	- 49	14	15	15	15	15	15	15	15	15	15	32	1,381	26%
Irrigation	Rice+Cabbage	- 45	18	18	18	18	18	18	18	18	18	18	55	2,363	38%
Dikes	Rice+Fish	- 31	9	10	10	10	10	10	10	10	10	10	24	1,040	29%
Dikes	Fish	- 4	1	1	1	1	1	1	1	1	1	1	4	157	32%
Dikes	Corn	- 27	11	12	12	12	12	12	12	12	12	12	38	1,617	41%
Dikes	Rice	- 31	6	7	7	7	7	7	7	7	7	7	9	372	17%
Nghe An															
Market linkage		274	286	295	295	295	295	295	295	295	295	295	1,785	76,904	#NUM!
Irrigation	Rice	- 51	11	12	12	12	12	12	12	12	12	12	16	704	18%
Irrigation	Rice+Cabbage	- 47	15	16	16	16	16	16	16	16	16	16	39	1,686	30%
Irrigation	Corn	- 61	11	12	12	12	12	12	12	12	12	12	5	194	12%

26. In addition, all models present an increase in the daily revenue with the project compared to the without project situation. The daily margin on income per household is most important for the irrigated rice production for both provinces, where it is estimated to USD 8 and USD 7 (per day) in the provinces of Thanh Hoa and Nghe An respectively.

Table 4. Daily revenue

Financial models		Daily revenue WOP (USD)	Daily revenue WP (USD)	Margin (USD)
Thanh Hoa				
Market linkage				
Irrigation	Rice	7	14	8
Irrigation	Rice+Cabbage	7	13	6
Dikes	Rice+Fish	7	10	3
Dikes	Fish	8	11	3
Dikes	Corn	11	17	6
Dikes	Rice	7	11	4
Nghe An				
Market linkage				
Irrigation	Rice	3	10	7
Irrigation	Rice+Cabbage	3	10	6
Irrigation	Corn	14	19	5

27. In term of cash flow, Rice and Cabbage production under irrigation present the largest margin for both provinces, USD 1220 and USD 945 respectively. Fish production represents the smallest cash flow since the established model represents a small pond of 0.05 ha and with only 1 production cycle per year.

Table 5. Cash flow

Financial models		Cash Flow WOP (USD)	Cash Flow WP (USD)	Margin (USD)
Thanh Hoa				
Market linkage				
Irrigation	Rice	1,944	2,631	687
Irrigation	Rice+Cabbage	1,944	2,923	979
Dikes	Rice+Fish	1,963	2,587	624
Dikes	Fish	1,378	1,438	59
Dikes	Corn	1,886	2,450	564
Dikes	Rice	1,980	2,348	368
Nghe An				
Market linkage				
Irrigation	Rice	1,655	2,229	574
Irrigation	Rice+Cabbage	1,655	2,389	734
Irrigation	Corn	2,215	2,766	550

3. Economic Analysis

3.1 Methodology

28. Similar to the financial analysis, the economic analysis compares the situation with-project to the situation without-project, and estimates the result attributable to the project corresponding to the additional net profit. This analysis evaluates the profitability of the project from the point of view of the community as a whole.

29. The economic analysis is done over a 20 years period using a discount rate of 6%, which is slightly higher than the long-term Vietnamese bonds⁴.

30. Financial prices were converted into economic values by removing taxes, subsidies and other transfers. A shadow exchange rate was computed using the formula below. All the economic models are based on economic prices, which were computed using the conversion factors by product category presented in the bellow table. All costs are included in the economic models, including family labour costs. The computation of the Shadow Exchange Rate follows the following formula:

$$SER = OER \cdot \frac{[(M + Tm) + (X - Tx)]}{(M + X)}$$

31. With SER: Shadow Exchange Rate; OER: Official Exchange Rate; M: Import Value (Volume); Tm: Import Taxes; X: Export Value (Volume); Tx: Export Taxes.

Table 6. Conversion factors

	Financial price/index	Economic price/index	Conversion factor
Import substitute or import, VAT free	1.00	1.01	1.01
Import substitute or import, with VAT	1.00	0.92	0.92
Export good	1.00	1.01	1.01
Non-tradable, VAT free	1.00	1.00	1.00
Tradable, with VAT	1.00	0.91	0.91
Infrastructure	1.00	0.91	0.91
Labour	1.00	0.90	0.9
Labour opportunity cost	1.00	1.00	1.0
FX	23,213	23,507	1.01

32. After the conversion of financial prices into economic prices, the additional benefits of the activities were aggregated by taking into account the size of the activities (number of

⁴ <https://www.investing.com/rates-bonds/vietnam-government-bonds>

hectares) as well as the phasing of investments planned in Costab. Indeed, the analysis was limited to the direct beneficiaries of the project.

Table 7. Phasing of investments

Infrastructure	VC	Unit	2025	2026	2027	2028	2029	2030
Phasing, Thanh Hoa								
Total market area		Hectare	0	34	34	34	0	0
Market linkage		ha	-	34	34	34	-	-
Total water infrastructure		Hectare	-	1,179	1,179	1,179	-	-
Irrigation	Rice	ha	-	590	590	590	-	-
Irrigation	Rice+Cabbage	ha	-	590	590	590	-	-
Total Dikes		Hectare	-	2,200	2,200	2,200	-	-
Dikes	Corn	ha	-	660	660	660		
Dikes	Rice	ha	0	660	660	660		
Dikes	Rice+Fish	ha		660	660	660		
Dikes	Fish	ha		220	220	220		
Phasing, Nghe An								
Total market area		Hectare	-	28	41.69333	27.75333	0	0
Market linkage		ha	-	28	42	28	-	-
Total water infrastructure		Hectare	-	2,775	4,169	2,775	-	-
Irrigation	Rice	ha	-	925	1,390	925	-	-
Irrigation	Rice+Cabbage	ha	-	925	1,390	925	-	-
Irrigation	Corn	ha	-	925	1,390	925	-	-
Total Dikes		Hectare	-	-	-	-	-	-
Dikes	Corn	ha	-	-	-	-	-	-
Dikes	Rice	ha	-	-	-	-	-	-

33. It is assumed a high adoption rate for the models (80-95%) because farmers are already involved in the activities and the intervention proposed by the project are not different from their current practices. For the Climate Smart Agricultural practices, no specific model was considered. For the market linkage model, it is assumed 60% of adoption rate since marketing of the products in big markets will required an additional effort from the beneficiaries.

Table 8. Phasing of models with adoption rate

Infrastructure	VC	Adoption rate	2025	2026	2027	2028	2029	2030
Phasing, Thanh Hoa								
Market linkage		60%	-	20	20	20	-	-
Irrigation	Rice	95%	-	560	560	560	-	-
Irrigation	Rice+Cabbage	95%	-	560	560	560	-	-
Dikes	Rice+Fish	80%	-	528	528	528	-	-
Dikes	Fish	80%	-	176	176	176	-	-
Dikes	Corn	80%	-	528	528	528	-	-
Dikes	Rice	80%	-	528	528	528	-	-
Phasing, Nghe An								
Market linkage		60%	-	17	25	17	-	-
Irrigation	Rice	95%	-	879	1,320	879	-	-
Irrigation	Rice+Cabbage	95%	-	879	1,320	879	-	-
Irrigation	Corn	95%	-	879	1,320	879	-	-

34. In order to assess the profitability of the Project as a whole, the economic costs of the project not included in the activity models were also taken into account. Costab software was used to remove project costs included in the models (to avoid double counting) and transform the remaining costs into economic costs. Finally, additional costs were added after the closure of the project for monitoring activities.

3.2 Results

35. Based on the methodology above, the returns on investment for CRWIS project are substantial, with an NPV of USD 47.9 million and an Economic Internal Rate of Return (EIRR) of 19.1%.

36. The results present a relatively higher profitability of the project for the province of Thanh Hoa compared to Nghe An, mainly due to the high cost of irrigation infrastructure in Nghe An. The results for Thanh Hoa and Nghe An provinces present respectively an NPV of USD 25.78 million and USD 22.12 million, and an EIRR of 23.1% and 16.3%.

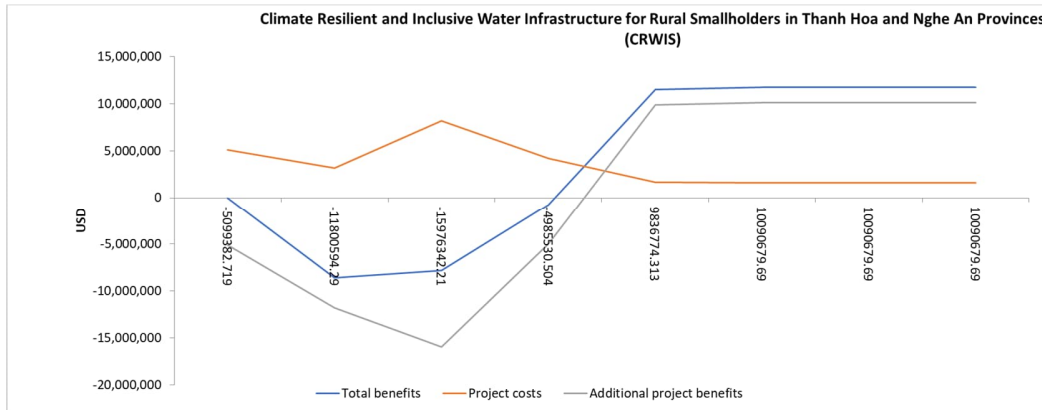


Figure 1. Project costs, benefits and incremental benefits

4. Benefits for special groups

37. CRWIS targets 50% of women and 20% of youth beneficiaries. The project will also include indigenous people.

38. Gender: The project will contribute in reducing gender inequality through the development of women capacity and skills (training, and agricultural extension services), the increase in labour and access to infrastructure and resources including land, water, technology and markets. Women will receive support in input to develop their agribusinesses and to strengthen their resilience to climate change impact.

39. Youth: Young people unemployment is increasing in the provinces while, they are moving from rural area and leaving farming activities for alternatives income opportunity in the big towns. The CRWIS project activities will empower young people to better manage climate risks and contribute to make the farming business an attractive and profitable activity in rural area. The innovative climate smart agriculture, the technological information dissemination and trainings planned for the youth could impact their farming profitability. In addition, they will also receive inputs support for their activities.

40. Minorities: The project intervention and its target of increasing farming activities income will improve the living condition of minorities and reduce the food insecurity and increase they employability.

5. Limitations and Sensitivity Analysis

5.1 Limitations of the analysis

41. The methodology for the economic and financial analysis comprises several limitations including:

- The EFA is mainly focused on the beneficiaries of infrastructure in Component 1 and the market linkage in Component 2. However, the models' activities will leverage more effect and efficiency with the implementation of different activities including the meteorological information dissemination and multiple trainings on water resources management and climate smart agriculture topics.

- There is insufficient information to forecast a clear impact of the project on yields, the agricultural practices and the different commodities targeted in the project implementation areas. The information does not allow to elaborate on the impact of different investments such as the water monitoring stations and the value chain action plan.
- The models on dikes and irrigation infrastructure investment are based on an average scenario of frequency and severity of loss (25% and 10%) of production affected by drought or salinity intrusion every 4 years. This does not necessarily capture the wide range of potential drought scenarios.
- The models are based on representative crops and might not include all potential crops that would be impacted by the project implementation, especially the perennial and cash crops.
- Finally, it is important to note that the EFA focuses on the financial and economic benefits of the investment. It does not mean that investments should be chosen on the sole basis of maximising returns.

5.2 Sensitivity Analysis

42. The EFA results demonstrated robustness to the sensitivity analysis including a reduction of project benefits of 10%-25%, an increase in project costs of 10%-25% and a delay of 1 to 2 years project benefits. The benefits of the project will be more impacted in case of 2 years delay in project implementation.

Table 9. Sensitivity Analysis

Sensitivity Analysis				
Scenario	Δ%	Potential Causes	NPV, million USD	IRR
Baseline scenario			47,9	19,1%
Cost increase	10%	Delayed implementation of activities, unexpected inflation	44,8	17,9%
	25%		40,2	16,2%
Decrease in benefits	10%	Unexpected extreme weather events, fluctuation in commodity prices	40,0	17,8%
	25%		28,2	15,4%
Delay of 1 year in benefits		Delay in project start or VC planning, delay in counterpart funding	40,0	16,8%
Delay of 2 years in benefits			32,6	14,8%

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

The SECAP Review note should build on the preliminary note mentioned above, draw on the results of the screening exercise and be informed by the issues raised during the design mission, the stakeholders interviews, publicly available tools and dataset, and environmental, social or climate-related studies that inform on the characteristics of the project location. The SECAP review note includes the revised ESMP and should be attached to the Project Design Report, integrated in Draft Project Implementation Manual (PIM) and COSTAB and shall be submitted to Design Review Meeting (DRM) or IRC (for NSOs).

1. Introduction

1. The SECAP Review Note (SRN) contributes to the design of the Climate Resilient inclusive Water Infrastructure for Rural Smallholders (CRWIS) project in the Nghe An and Thanh Hoa provinces of Vietnam. At the Concept Note stage (PCN), the SRN identifies potential social, environment and climate risks to the project, and possible impacts of the project. It identifies a set of preliminary, context-specific and technically feasible measures that could help avert, avoid, or mitigate the risks which will be evaluated for cost effectiveness and finalised at the design stage (and further revised at the implementation stage, as needed). The data for the SRN has been provided by provincial governments of Nghe An and Thanh Hoa during IFAD missions in April, August and November 2023; this is supplemented with secondary sources (literature review of policies, strategies, plans and reports, and other project proposals). The project design mission which took place in November reassessed the findings from the PCN stage.
2. **Stakeholders Consulted:**
3. The missions held discussions with representatives from the Provincial People's Committee and its associated departments, such as the Department of Planning and Investment (DPI), Department of Finance (DOF), Department of Agriculture and Rural Development (DARD), Department of Natural Resources and Environment (DONRE), Thanh Hoa Hydromet Center, North Central Hydromet Center, Department of Labour, Invalids and Social Affairs (DOLISA), Provincial Committee of Ethnic Minorities Affairs (PCEMA), Provincial Women's Union (PWU), the Provincial Youth Union (PYU), Provincial Farmers Union (PFU), Management Board of Pu Mat National Park and Provincial Project Management Board for Investment and Construction of Agricultural and Rural Development projects. Similar discussions were held with line departments of the District People's Committees and Commune People's Committees. Finally, for one selected commune in each district, there were (a) site visits to observe the pumping stations, irrigation canals, dyke and road sections and (b) in-depth focus group discussions with village leaders and/or farmers^[i]. The list of consultation participants (organized by date, province / commune-district) is available^[ii].

2. Situational analysis and potential project impacts

Topography, Weather and Climate

4. Thanh Hoa is the fifth largest province of Vietnam, located in the North Central Coast, with an area of 11,115.0 km² and 102 km of coastline. Thanh Hoa's topography is complex: the three types being mountainous and midland terrain (73.3% of provincial area, above 1000-1500 meters-m above mean sea level-MSL), lowland or plains (16% area, 5-15 m above MSL), and coastal regions (10.7% area, 3-6 m above MSL), and the terrain falls in the Northwest-Southeast direction (i.e., from the Laotian border to the coast). Thanh Hoa province includes a total of 24 districts and 2 cities, two districts of which are targeted by the CRWIS project – namely, Hoang Hoa and Ha Trung districts. Thanh Hoa is known as the locality with the largest number of people leaving their home in search of job opportunities in the big cities, particularly owing to large number of garment and footwear factories.
5. Nghe An is the largest province of Vietnam, located in the middle of the North Central coast, with an area of 16,486.5 km², 83 km of coastline, and 419 km border with Lao PDR. Similar to Thanh Hoa, its topography tilts in the Northwest – Southeast direction with three distinct regions: high mountainous areas in the west (58.13% of the provincial area, 450-1200 m above MSL), low mountainous/hilly areas (25.17% of area, 100-450 m above MSL) in the centre, and coastal plains (16.7% of area, 0-100 m MSL). Nghe An province includes a total of 17 districts, 3 towns and Vinh city – six districts of which are targeted by the CRWIS project: namely, Con Cuong, Anh Son, Thanh Chuong, Do Luong, Nam Dan and Hung Nguyen districts.
6. Both provinces have a high density of rivers and streams as well as coastal estuaries. Nghe An has 6 estuaries from its 6 main rivers: Lam/Ca, Hoang Mai, Do Ong, Thai, Bung, and Cam with a total length of 9,828 km – of which the biggest is Lam, a transboundary river with 361 km of its 512 km length within Vietnam. Thanh Hoa has 4 main river systems: Hoat, Ma, Yen, and Bang River with a total length of 881 km, and 264 interlocking streams^[ii]. Thanh Hoa province has about 1,760 reservoirs, dams, weirs and pumping stations (525 reservoirs alone^[iii]) and Nghe An has about 1,061 reservoirs^[iii], 423 weirs, 702 pumping stations, and 22 hydropower plants^[iv]; these are managed either by state-owned irrigation companies or communities themselves. The reservoirs provide water for irrigation and aquaculture and were intended to enable flood protection and generate electricity.
7. Thanh Hoa and Nghe An are characterized by a tropical climate, with distinct wet and dry seasons. Thanh Hoa^[v]: The annual rainfall is 1827 mm and occurs mostly between May and September i.e., summer precipitation exceeds that of winter. The average annual temperature is between 22-23°C, while the maximum daily temperatures can reach more than 37°C between June-August. Nghe An^[vi]: The annual average temperature is 23-24°C and the average temperature of the hottest months (June-July) is 33°C, with a maximum daily temperature of 37-38°C on many days. The average temperature of the coldest months (December-February) is 19°C; the absolute lowest temperature recorded was in 2020 (-1.8°C). It receives an annual precipitation of about 2100 mm with two distinct seasons: dry season from October to April, accounting for 25% of the annual rainfall and the rainy season from May to October, accounting for 75% of the annual rainfall.
8. Under these natural conditions, both provinces are seriously affected by droughts, floods and hot/dry spells each year (see Section 2.3.2). In the coastal areas, there is saltwater intrusion — in case of Hoang Hoa, Thanh Hoa, this is exacerbated by aquaculture — and areas where the coastline has eroded owing to sea level rise. Dry season (Oct/Nov-Apr) weather events include temperature extremes (hot and cold spells) and droughts / severe water shortages. The main natural disaster in the summer / rainy season is floods, which affects riverbanks and lowlands; but there are also flash floods and storms due to abnormal rainfall and typhoons. Landslides are common in the mountainous and hilly areas, and riverbank erosion is reported by provincial officials and attributed to reservoirs. The associated damages reported by provincial authorities in 2021 and 2022 was: USD 2.72 million (M) and USD 27.83M for Thanh Hoa^[vii], and USD 28.6M and USD 51.8M for Nghe An^[viii].

2.1 Socio-economic assessment

a. Overall poverty situation

Vietnam's economy, poverty and development statistics

9. Vietnam successfully transitioned from a low-income to a lower-middle income country in 2010; its economic growth rate was one of the highest in the world, averaging 7% between 1990-2017^[i]. GDP was 8% in 2022 (consumption rebound after COVID-19, low base effects) but will slowdown to 6.3% in 2023^[ii]. Simultaneously, it attained the Millennium Development Goal target on poverty reduction ahead of its schedule due to its strong economic growth, trade liberalization, and poverty reduction policies that prioritized disadvantaged groups. The GRDP (gross regional domestic product) of Thanh Hoa was 12.51% in 2022 – ranking 7th in the country, and that of Nghe An ranged between 7.5%-9.08% over 2016-2022. The agricultural sector experiences one of the lowest growth rates among all sectors (3.36%, 2022 compared to 7.78% for industry and construction and 9.99% for service sector^[iii]), even as it plays a crucial role in the economy from an employment and food security perspective.
10. In terms of population, Thanh Hoa and Nghe An have the third and fourth highest populations among all provinces in Vietnam; in fact, only provinces with urban centres of Ho Chi Minh and Hanoi are higher. Vietnam's poverty rate declined from 20.7% in 2010 to 4.3% in 2022^[iv], and per capita income has increased from 210 USD in 1989 to around 2308 USD in 2022 (a 11-fold increase). While the monthly per capita income level in Thanh Hoa province is close to the national average, Nghe An's is lower.

The population of Nghe An is more rural and has a higher poverty rate than Thanh Hoa and the national rural average (**Table 1**). Nghe An's poverty rate did drop from 7% in 2016 to 6.2% in 2022 but it is unclear how much of this is owing to change in methodology^[vi]. Overall, the two provinces are by no means the poorest in the country^[vii]; but Nghe An is consistently among the 15 poorest provinces and the per capita income – both provinces and for five out of the eight CRWIS districts – is lower than national average (**Annex Table 1**).

11. When both poor and near-poor are considered, 11.88%^[vii] of Thanh Hoa households and 12.61%^[viii] of Nghe An's can be said to be more vulnerable to economic and climate shocks – particularly because they are more dependent on agriculture and wage employment. Poverty rates also vary by proportion of Ethnic Minorities and geographic region^[ix]: for example, 71.4% of all poor households in Nghe An are non-Kinh/Chinese peoples. Among the six Nghe An-CRWIS districts, the highest rate of poor and near-poor are found in mountainous district of Con Cuong (19.94% and 16.85% respectively, 2022).
12. It is noteworthy that five of the six Nghe An-CRWIS districts have lower poverty rates than the provincial poverty rate; three of the six districts also have lower near-poor rates and two others are close to provincial average (**Annex Table 1**). This is unsurprising since (as stated) the highest rates are found in mountainous districts, which also have a higher Ethnic Minorities population but are not targeted owing to lack of irrigation/canal systems. However, Con Cuong is one of the five districts (out of 21 Nghe An districts) with the highest rate of poor households, and Anh Son and Thanh Chuong are two of the top ten^[x].
13. Hoang Hoa and Ha Trung have lower poor and near-poor rates than their provincial average^[xi] (**Annex Table 1**) and are not among the top five or ten of Thanh Hoa's 27 districts with highest rate of poor/near-poor households. But among the four coastal districts of Thanh Hoa, Hoang Hoa has the highest rate of poor households (3.26%). Similarly, Ha Trung has the highest rate of poor households (2.95%) among the eight delta districts of Thanh Hoa.

14. **Table 1. Demography and income, by province**

Province ^[xii] . ^[xiii]	Population, individuals (male-m; female-f)	Urban pop., individuals (proportion)	Rural pop., individuals (proportion)	Poverty rate, 2022 & 2021 (see footnote 15)	HDI (human development index)	Monthly average per capita income	Of which Agriculture, forestry & fishery income
Thanh Hoa 3 rd highest pop.	3,722,100 (m: 1,858,300; f: 1,863,700)	1,029,900 (27.6%)	2,692,200 (72.3%)	5.2% (6.3% in 2021)	0.726	4,309,000 VND	493,000 VND (10%)
Nghe An 4 th highest pop.	3,416,900 (m: 1,712,100; f: 1,704,900)	531,700 (15.5%)	2,885,300 (84.4%)	6.2% (9.5% in 2021)	0.711	3,629,000 VND	421,000 VND (11.6%)
National	99,461,700 (m: 49,603,800; f: 49,858,000)	37.6%	62.4%	4.2% (4.4% in 2021) ^[xiv]	0.737	4,673,000 VND	474,000 VND (10.1%)

15. Note: The population numbers may not add up because approximations are used by Statistical Yearbook for disaggregation (rural, urban, male, female)
16. While agriculture may not appear a major source of cash income (**Table 1**), it is critical to food security, nutrition and self-employment. Vietnam's 13.94 million people out of 50.60 million (27.5%, 2022) are directly employed in agriculture, forestry and fishing production^[xv]. However, a higher number of provincial households continue to rely on agriculture, forestry and fishing for employment: 34.9% Nghe An and 34.04% in Thanh Hoa^[xvi]; this is likely to be even higher if one disaggregates by rural population, household-level engagement in agriculture, and poor/near-poor households.

b. Gender

17. In 2023, Vietnam has climbed 11 places on the latest World Economic Forum (WEF)'s Global Gender Gap Index over the past year, marking a rise from 83rd to 72nd place out of 146 countries. This is hallmark of the significant progress made by Vietnam in promoting gender equality in all sectors underpinned by the endorsement or revision of legal frameworks and policies on gender

equality and the advancement of women, most notably the Gender Equality Law and the National Strategy for Gender Equality. Nevertheless, gender inequalities in agriculture, food and nutrition security are visible in labour markets and decision-making structures, and in access to resources (land, water, technology, finance), markets, leadership and skills training, and agricultural extension services. Women constitute a critical workforce in agricultural production, especially in rural areas, where 63.4 percent of working women are in agriculture compared to 57.5 percent of working men. Traditionally, women are burdened with unpaid care work and women's knowledge and skills remain limited when it comes to new technologies. Furthermore, although women are more involved in agriculture, they are also more likely to work on smaller farms and to cultivate subsistence crops such as rice and maize especially in Nghe An province and raise small numbers of livestock (such as poultry, pig and buffalo). In Thanh Hoa and Nghe An provinces, particularly for women from poor and near-poor households, the land size for rice farming areas ranges^[1] from 500 m² to 2000 m². Women's limited access to agricultural advisory and extension services, training and technology transfer is due to various gender-biased social norms, resulting in women's lower levels of education, increased time constraints and limited mobility, among other constraints.

18. Vietnam is particularly vulnerable to the adverse effects of climate change and natural disasters. Rural Vietnamese women's vulnerability to climate change is heightened by their greater concentration in the agricultural sector, particularly in subsistence production, and in the informal economy. This is manifested in rural women facing high risks of loss from drought and uncertain rainfall, with women in Nghe An and Thanh Hoa reporting a fifty percent decrease in annual rice productivity when droughts or floods occur^[2]. Further, climate change adds to water insecurity, which increases the burden and workload of women involved in small scale farming, as they spend more time and effort on land preparation, fetching water, watering and managing crops. A high dependency on land and natural resources for livelihood generation by women who are considered poor and from ethnic minority groups makes them more climate vulnerable. Less access to resources, credit, markets and extension services seriously disadvantages poor women and men and limits their coping strategies.
19. In terms of decision-making in the household, in general, many poor women living in rural areas have less decision-making power regarding family businesses and the way that household income is spent. Attending village, ward or commune meetings is commonly considered a man's task. Women tend to go only to public meetings regarding climate change adaptation and disaster risk reductions when men are busy or absent. In terms of decision-making in the community, women's participation in local People's Committee Councils is significant but still limited: 27.7 % at provincial, 31.3% at district and 29.97% at commune levels in Nghe An and in Thanh Hoa the percentages are 20%, 28.27% and 29.43% respectively^[3]. Women's involvement in local committees for Flood and Storm Control is limited to child-care and food distribution; women tend not to be involved in decision-making^[4]. Even in Thanh Hoa and Nghe An Provinces, the management and decisions of water use were usually led by male group leaders. Overall, gender differences in poverty were seen to be small, but older women, especially in rural areas, are overrepresented among the poor in Vietnam^[5].
20. In terms of demographics, at the national level, women slightly outnumber men at 50.1% of the population (50.1% in Thanh Hoa, 49.9% in Nghe An, **Table 1**). However, due to preference for son and sex-selective abortion, extreme imbalance in sex ratio at birth is reported (Census 2019): 111.5 boys for every 100 girls, and the country is ranked one of the lowest globally^[i]. The maternal mortality ratio-MMR is lower in Viet Nam (43/100,000) than in East Asia and the Pacific (73.1/100,000). Over 1990-2015, MMR declined by 4.4% annually, one of the highest global annual rates of change. However, early and child marriage is prevalent – particularly among ethnic minorities, and exacerbates issues of malnutrition, unemployment and low adaptive capacities. Vietnam also reports a high rate of gender-based violence: 9% of women experience at least one or more form of violence (physical, emotional, sexual, etc.)^[iii].
21. In governance, about 30.3% of parliamentary seats at the National Assembly are held by women as of May 2021^[ii] but women are concentrated in certain committees (Ethnic Affairs, Education and Youth, Social Affairs). There are only two female ministers across 18 ministries and 4 ministerial-level agencies for the 2021-2026 term. At the national level, 45% of ministerial agencies in 2021 had female leaders, and at the local level, only 32.14%, 32.64% and 21.95% of province, district and commune agencies had female leadership (2016-2020 term)^[iv]. The targets set for membership and leadership in the Communist Party of Vietnam has generally not been met. Because the Party formulates policies and strategies, low representation – particularly in central and local Executive Committees – reduces opportunities for women to influence decisions. In project areas, women's participation in local Executive Committees and local People's Committee Councils (2021-2026 term) is significant but still limited (**Table 2**).

22. **Table 2. Women's participation in local agencies (2021-2026 term), by province**

Province ^[v]	Women's participation in local Executive Committees			Women's participation in local People's Committee Councils		
	Provincial	District	Commune	Provincial	District	Commune
Thanh Hoa	10.8%	18.2%	19.9%	20.0%	28.3%	29.4%
Nghe An	18.7%	19.4%	25.5%	27.7%	31.3%	29.9%

23. Female labour force participation in 2021 was 74.8%; women are more likely to work in the informal economy and in agriculture.

In 2016, 63.4% of rural women worked in the agricultural sector compared to 57.5% men^[vi]. The rate of Land Use Rights Certificate (LURCs) titled solely to men dropped^{[vii]. [viii]} in the ten-year period (2004-2014) after Land Law (2003) decreed joint titling for new LURCs, but men are still more likely to be the sole land and/or house owner. When women's names are not included in LURCs^[ix], this limits their decision-making ability and access to finance and other services — even though women often end up being sole managers of agricultural land. A revised 2013 Land Law closed the consent related loophole to encourage more joint titling^[x].

24. Vietnamese women and men undertake different roles and responsibilities in agriculture: women's work is oft-perceived as 'light' tasks (sowing, transplanting seedlings, weeding, animal husbandry), and men's work as 'heavy' (land preparation, ploughing, spraying agro-chemicals)^{[xi]. [xii]}. However, mechanisation and other factors may influence a change in roles (e.g., manual harvesting by women but use of combine harvester-thresher by men; women may spray pesticides when men are away)^[xiii]. Despite their contributions and the fact that men typically seek wage employment for a majority of the ag season, women are less involved in production-related decisions or may have limited capacities. Women heavily engage in unpaid care work (household chores)^[xiv] and are paid less than men: across the industry, service and agriculture sectors, the wage gap is the highest for agriculture (women received 69% of average wage in 2016)^[xv]. Agricultural income may also be limited because women engage in subsistence or non-lucrative activities^[xvi].
25. While irrigation is reported to save women's labour and time costs and water management is seen as a "women's task"^[xvii], there are several challenges: (a) women cultivate vegetables, fruits and plantation crops, but rice and maize plots are prioritized for canal access (this is worse for Ethnic Minorities who live in areas where irrigation is lacking), and (b) due to lack of technical skills and inadequate participatory approaches, women are less likely to be employed in irrigation development, maintenance and operations or consulted in decision-making. Climate change worsens this as women have to spend more time watering crops or fetch water for domestic purposes.
26. Gender issues in Nghe An and Thanh Hoa provinces are similar to the national context described above. During the consultation meetings, although women and men recognized equal opportunities in accessing or participating in technical assistance, training programs and community meetings that have been conducted in the communes, actual participation levels between women and men seem to be varied. The annual training activities are focused on agriculture: cultivation skills, farming (pest caring), livestock raising and disease prevention. The cultivation/ farming activities are mostly attended by women, while husbandry and aquaculture activities are mainly by men. Therefore, direct and indirect targeting strategies of the project will be employed to reach women including women-headed households, women from Ethnic Minority groups and poor / near-poor women and engage them in technical capacity building and agriculture value chains training programmes, which be conducted at timings and locations convenient to women.

c. Youth

27. Youth are defined as people between 16 and 30 and account for 22.5% of the population^[i]: 20.31% and 21.53% in Nghe An and Thanh Hoa respectively. While this unique demography can be an advantage, youth unemployment rates have only increased from 3.5% (2010) to 7.4% (2022)^[ii]; the effect of COVID-19 on young women's employment was worse than young men^[iii], particularly because the consequences fell most on sectors employing a large proportion of women.
28. Of the youth in Nghe An and Thanh Hoa, about a third were engaged in agriculture-related activities (34.05% in Nghe An, 32.3% in Thanh Hoa^[iv]) in 2022, and an equal proportion leave the district or province for employment (34.17% of Nghe An, 27.5% of Thanh Hoa). Thanh Hoa (27.5%) has a higher proportion of youth employed in the industry or service sector — particularly in Hoang Hoa factories — compared to Nghe An (5.95%). Naturally, a higher proportion of youth are employed in Thanh Hoa (87.5%) than in Nghe An (63%). Rural youth engaged in agriculture face multiple challenges, including insufficient capital and awareness of technologies, and limited availability of land. Therefore, youth prefer to migrate or work in non-ag sectors.
29. In an effort to address unemployment, the government has instituted policies^[v] and programmes on vocational training and entrepreneurship. For example, young people can borrow money from the National Youth Union Fund for new start-ups; however, the size of the loans is limited (about 100 million VND, USD 4217). Nghe An and Thanh Hoa officials are keen to engage youth in high-value agriculture with agri-businesses, and encourage youth participation in eco-tourism, traditional crafts, and other activities. There's also potential for youth to be upskilled in irrigation development and operations.

d. Indigenous peoples

30. The Ethnic Minorities of Vietnam span 53 ethnic groups, typically live in mountainous areas, midland areas and along the Laos border districts, and face several challenges (e.g., high poverty, high malnutrition, early marriage and high teenage fertility rate) – some of which are unique to their geographical location.
31. Ethnic Minorities constitute about 16.19% of the 2022 Thanh Hoa population (27 different groups^[i]) and 13.5% of the 2022 Nghe An population^[ii] (39 different groups^[iii]). The proportion of Ethnic Minorities is much lower in most CRWIS districts (**Annex Table 1**): 1.49% in Ha Trung and 0.4% in Hoang Hoa; negligible in Nam Dan, Hung Nguyen and Do Luong (i.e., assimilated with Kinh peoples). However, Con Cuong (74.54%), Anh Son (20.03%) and Thanh Chuong (4.4%) are home to several EM groups. The Thai peoples dominate in terms of population across Nghe An; the province is also home to the Tho, Kho Mu, H'Mong, Tay, Muong, and O Du peoples. Thanh Hoa's Ethnic Minorities mainly comprise the Thai and Muong, but also includes the H'Mong, Tho, Kho Mu, Tay, and Dao peoples, the majority of whom live in non-CRWIS communes. At PDR stage, a commune-level listing of Ethnic Minorities is completed: for e.g., the O Du peoples number about 450 individuals^[iv] and may not live in the CRWIS communes.
32. Ethnic Minorities have distinct customary political, cultural, and economic institutions and practices. For instance, people in the higher elevations may still practice shifting/swidden cultivation; some groups prefer all communication in their indigenous language; and so, on More than 81% of EM population is employed in agriculture^[v] with activities spanning crop cultivation, plantation and forestry (Acacia auriculiformis-Keo, Solanum trilobatum-Ca gai leo, Dendrocalamus barbatus-Met), and livestock. In the post-cultivation season, some EM peoples engage in traditional handicrafts, such as bamboo articles, weaving clothes and ceramic ware. In some Ethnic Minority areas of Nghe An, tea cultivation (Shan tea) was introduced as a livelihood intervention, but some groups also traditionally produce products yellow flower (camellia) tea and wild bamboo shoots that are fairly well-recognized; in fact, most of Vietnam's tea is grown on small farms of Ethnic Minorities, requires few inputs and is labour intensive^[vi]. There may be potential to increase incomes for the communities through improved market linkages and reduced transaction costs (through middlemen) as well as certifications and improved quality.
33. The average monthly per capita income of Ethnic Minorities was only 49% of the national average and 45% of the Kinh people in 2018; however, female-headed EM households consistently have a higher average monthly income than male-headed EM households across groups, rural-urban areas and economic regions^[vii]. As a result of low productivity, nutrition insecurity and limited economic opportunities, the risks of Ethnic Minorities falling back into poverty are high when there are economic shocks or natural disasters.

e. Marginalised groups

34. Other marginalized groups in Vietnam comprise People with Disabilities, elderly of poor and near-poor households without caregivers, and people living in disaster-prone areas. Such marginalized groups have a higher vulnerability and are less able to adapt to climate change, often lacking the means or assets to recover from extreme events and shift to alternative livelihoods^[viii]. For instance, of the 70,498 People with Disabilities, only 1,000 individuals have access to suitable jobs in Nghe An^[ix]. Several policies and programs therefore prioritize or exclusively target Ethnic Minorities^[x] and marginalized groups^[xi] with social protection.

f. Nutrition

35. Food insecurity is not a major issue in Vietnam, owing to intensification of rice in the Mekong Delta starting 1980s; some CRWIS riverbank hamlets that are marooned during floods do require food assistance. Vietnamese households, including in CRWIS provinces, cultivate vegetables and fruits which are important for nutrition security. Vietnam scored 67.9 points in the Global Food Security Index, higher than the regional and income group average^[i]. It is the stability of food production, including staples, that is challenged by droughts and floods: in Feb-Mar 2016, at the peak of Vietnam's intense El Nino-induced drought and saltwater intrusion, 1.1 million people were food insecure^[ii]. The total area of land for rice cultivation needs to remain nearly unchanged at least until 2030 for food security^[iii], however, CRWIS provinces already report higher risk of yield loss for summer crops and a reduction in summer cropping area – despite introduction of shorter-maturing and drought-tolerant varieties (esp. rice), and similar trends emergent for winter crops. Summer rice yields (average, tonnes/ha) are reported to be lower by 0.6-2.2 t/ha than winter rice in all target districts.
36. Malnutrition, particularly among children under-five, remains a public health priority. There has been some progress between 2000-2020 in under-5 stunting: 43.2% to 19.6%; and, wasting: 6.1% to 5.2%^[iv]. The prevalence of overweight children is increasing (2.6% to 7.4% during the same period)^[v]; boys 5-19 years are more likely to be overweight than girls. Among adults, the prevalence of underweight has declined and overweight is steeply rising. The rate of anaemia among pregnant women remains high at 28.4% in 2019^[vi]. CRWIS provinces have higher rates of malnutrition than national average (**Table 3**). The improvement in Vietnam's malnutrition is attributed to poverty reduction, reduced fertility rate, and better access to healthcare; however, the persistence of stunting and difference in progress by income quintiles tracks the increased income inequality starting 2000s^[vii].

37. **Table 3. Malnutrition in CRWIS provinces**

District ^[viii]	Under-5 underweight (weight-for-age), 2021	Under-5 stunting (height-for-age), 2021	Under-5 wasting (weight-for-height), 2021
Thanh Hoa	15.4%	25.2%	5.5%
Nghe An	15.2%	26.0%	6.1%
National	11.2%	19.2%	3.6%

38. Ethnic Minorities have the highest rates of malnutrition and micronutrient deficiencies^[ix]; nearly 1 in 3 EM children (31.4%) are stunted, twice as much as Kinh (15.0%), and 21% of EM children are underweight, 2.5 times higher than their Kinh peers (8.5%). Early/child marriage, poor infant nutrition and lower rates of exclusive breastfeeding, poor access to health services, and inadequate reproductive care are drivers of malnutrition specific to the EM peoples

2.2 Environment and climate context, trends and implications

39. See below

a. Environmental assessment

Environmental assessment

2.3.1.a Land and water resources

40. The critical land degradation-LD issues in Vietnam are long-lasting droughts, salinity/saline intrusion, and unsustainable agricultural practices (excessive use of mineral fertilizers and pesticides) that results in topsoil erosion – resulting in reduced productivity and yield loss. Increased precipitation intensity and flooding combined with degraded soils also causes poor drainage/temporary waterlogging on agricultural lowlands; finally, pollution is also a driver of LD^[i]. About 23.4% of Vietnam's land area is degraded and 11.8% has degraded land productivity^[ii]. Carbon stock of croplands dropped from 82 tons/ha to 68 t/ha between 2000-2010^[iii]. Salinization and erosion due to sea-level rise is an issue in several districts of the Mekong (39%) and Red River Deltas (4-16%); in the case of Nghe An and Thanh Hoa, a 1m rise in sea level is projected to inundate 0.51% and 1.43% of the area^[iv].

41. **Table 4. Land use at province and national level**

Province ^[v]	Total area (km ²)	Agricultural production land (km ²)	Forestry land (km ²)	Specially used land (km ²)	Homestead land (km ²)
Thanh Hoa	11,114.7	2,431 (21.9%)	6,526 (58.7%)	805 (5.1%)	567(7.2%)
Nghe An	16,486.5	2,915 (17.7%)	11,798 (71.6%)	824 (1.6%)	272(5.0%)
National	331,346	116,931	154,397	20,247	7,595

42. The two Thanh Hoa districts are substantially impacted by LD^[vi]. 38.18% of surveyed land (17,277.28 ha) in Ha Trung is degraded (1402.83 ha heavily degraded, 2358.03 moderately, 69 ha slightly), with 22.3% of surveyed land impacted by erosion and 4.5% by laterization. There is also fertility reduction (46.78% of land, 8082.44 ha) and salinization (2.02%, 349.69 ha). In Hoang Ha, 37.62% (5148.83 ha) of surveyed land (13,686.04 ha) is degraded (2194.29 ha heavily degraded, 252.22 ha moderately, 2702.33 ha slightly). Soil fertility has reduced on 56.29% of land (7703.62 ha), 4.2% (575.14 ha) is eroded, and 5317.64 ha of surveyed land is salinized. In the case of Nghe An, a recent study found that 18% of Thang Chuong district – for instance – falls under the high and very high erosion categories due to soil degradation^[vii]. According to Thanh Hoa's soil quality monitoring conducted 1-2 times/ year by DONRE, agricultural land in Ha Linh commune (Ha Trung) and Hoang Hai commune (Hoang Hoa) show signs of weedicide / pesticide pollution (< 5mg/kg)^[viii]. No information on land degradation have been found for Nghe An during the missions. Sustainable land management and an integrated approach to land-use planning which considers nexus with water and agriculture is missing at the local level in Vietnam.
43. Surface water in Vietnam is the primary source of agricultural, industrial, and domestic use. Therefore, Vietnam has constructed several reservoirs and hydropower dams, which are managed by communities or irrigation companies. The key issues associated with surface water and irrigation management is described in **Table 5**. In theory, while Vietnam's agricultural water withdrawal as a percentage of total renewable water resources is 8.79%^[ix], irrigated agriculture uses 94.8% of total surface water and groundwater withdrawals requiring careful management of efficiencies — particularly under climate change and for wet rice fields. Shortage of water is aggravated during the dry season when surface water runoff is only 15-30% of annual runoff. However, the management of water in CRWIS provinces is not data-driven: flood and drought risk maps have not been updated, water flow and use models are not utilized, and there is insufficient coordination between the hydrology, meteorology, agricultural extension and irrigation agencies/companies, and Water User Groups and communities. Government officials find it challenging to guarantee a stable and timely supply of irrigation water over the years; in some instances, this results in conflicts. Communities have also found alternate means to manage unreliable supply and manage conflicts: hiring electric pumps, redistributing land, etc.

44. **Table 5. Key issues for surface water management**

#	District / Province	Major characteristics of and issues in river systems	Water use purposes
1	Len River Ha Trung – Thanh Hoa	<ul style="list-style-type: none"> · Len: tributary of Ma River. From Bong intersection to Lach Sung estuary. Hoat is a branch of Len. · Sand mining and aquaculture run-off affects water quality. · Riverbank erosion: some erosion points fixed by the districts. · River floods in wet season; impacted by tides (0.4-0.5m) and salinization. Salinity level of 1‰ intruded 18.5km inland (Linh Toai commune, Ha Trung) from the estuary^[xi]. However, the Len River saltwater prevention dam being built in Da Loc commune (about 3.5km from Lach Sung estuary), shall prevent saline intrusion and increase the fresh water supply for Hau Loc, Nga Son, Hà Trung and Bim Son area when it is operated tentatively in the 1st quarter of 2024^[xii]. 	- Agriculture, aquaculture, domestic, commercial and industrial uses
2	Cung River Hoang Hoa – Thanh Hoa	<ul style="list-style-type: none"> · Branch of Ma River, connecting from Lach Truong River (Hoang Dat dyke) to Ma River at Lach Hoi estuary. · River floods in the wet season. Affected by tidal flows / salinity intrusion. · Unsustainable aquaculture practices affect water quality & estuary health. 	- Aquaculture

3	Lam River Nghe An	<ul style="list-style-type: none"> One of the two largest in North Central region. From Lao PDR (Xiengkhuang plateau) to confluence of Lam and La River (Ha Tinh) & the Cua Hoi estuary. 74-80% of water volume between June-November rains. Three hydroelectric powerplants within Vietnam in Con Cuong and Tuong Duong districts. Dry season: pumping stations run dry (need relocation or higher horsepower); wet season: floods. Historical: Legal and illegal sand mining along the River causing adverse impacts on river flows, bed, banks and the fresh water ecosystem^[xii]. Escalating riverbank erosion, serious loss of homestead land due to river erosion reported in a CRWIS commune (Lang Son commune of Anh Son district)^[xiii]. Saline water currently affecting Hung Nguyen district and the further downstream parts. However, Ben Thuy sluice gate to prevent saline intrusion in the downstream Lam river has been included in the investment plan of 2021-2025 as planned in the irrigation master plan of Nghe An till 2020 with a vision to 2030. Beneficiary areas include Hung Nguyen and Nam Dan districts, other districts of Nghe An and Ha Tinh provinces. 	<ul style="list-style-type: none"> Hydropower, agriculture, aquaculture, domestic, commercial and industrial uses
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45. Lam River is exposed to the strongest level of erosion among the North Central river systems. In recent years, after hydroelectric projects came into operation, especially after Chi Khe reservoir in 2018, combined with the exploitation of sand and gravel in the downstream river sections, the river bank erosion has occurred more frequently and intensively^[xiv]. To limit this impact, in 2021, the People's Committee of Nghe An province has issued a plan^[xv] to prevent and combat riverbank and coastal erosion until 2030. Of the total 319 critical erosion points to be rehabilitated, 14 points are being addressed currently; 213 points will be targeted between 2021-2025 and 92 points in the period 2026-2030.

46. The simulations of flooding scenarios on the Lam River basin consists of 16 scenarios of flood discharges caused by large reservoirs and river branches, not considering weather extreme events or climate change. In the worst-case scenario, if the Ban Ve hydropower dam breaks and other reservoirs release water (sudden release and/or large amount) owing to 1-in-100 year floods, the total flooded area will be 153,862 hectares, with 4,401 hectares, 15,510 hectares, 20,825 hectares, 29,434 hectares, 18,163 hectares, 12,973 hectares in Con Cuong, Anh Son, Do Luong, Thanh Chuong, Nam Dan and Hung Nguyen districts impacted. For 1-in-5-year floods, the flooded areas in 6 CRWIS districts are likely to range between nearly zero in Do Luong to 6,823 hectares in Anh Son^[xvi].

2.3.1.b Biodiversity resources

47. Thanh Hoa and Nghe are provinces with high forest cover of 53.5% and 58.4%^[xvii], greater than the national average in 2021 (42.02% 13.92 million ha-mha out of 14.74 mha forested area); this includes natural and planted forests (Table 6). Forest cover is distributed unevenly among the project districts. Con Cuong district has the highest forest cover (83%) while Ha Trung district and Hung Nguyen district have the lowest (5.5%). Forests in Vietnam are classified into three types: Productive, Protective, and Special-use Forest, and all three qualify for forest cover calculations.

- *Special- use forests*: mainly for conservation; typically, designated as national parks and nature reserve but also includes historical, research and tourism sites.
- *Protection forests*: mainly for management of water resource and land against flooding / erosion / desertification, and to regulate climate.
- *Production forests*: mainly for timber and non-timber forest production; harvesting is subject to quotas and environmental norms.

48. Table 6. Forest Cover and Forest Classification

Province	Forested area, ha,2022	Natural forest, ha,2022	Planted forest, ha, 2022	Forest cover %, 2022	Special use forest, ha	Protection forest, ha	Production forest, ha
Thanh Hoa ^[xviii]	647,737.32	393,361.3	254,376.02	53.6	80,371.13	156,905.80	410,460.42
Ha Trung	5,614.30	600.7	5,013.6	20.60	524.5	1,267.3	3,822.4
Hoang Hoa	1,127.90	0	1,127.9	5.30	0	130.3	997.6

Nghe An [xix]	1,008,741.00	788,991	219,750	58.36	167,522.85	301,584.58	544,967.63
Con Cuong	150,211.48	138,443.33	11,768.15	82.91	73,876.69	17,957.59	58,377.20
Anh Son	32,125.35	15,928.89	16,196.46	48.75	2,227.07	7,866.18	22,032.10
Thanh Chuong	64,869.00	37,503.12	27,365.88	53.29	0	20,222.22	44,646.78
Do Luong	9,859.47	245.24	9,614.23	25.78		1,153.25	8,706.22
Nam Dan	5,982.14	223.37	5,758.77	19.7	2,277.06	0	3,705.08
Hung Nguyen	1,072.25	0	1,072.25	5.66	0	374.9	697.35
National [xx]	14,790,075	10,134.082	4,655.993	42.02	2,198.086	4,709.458	7,882.531

49. In the Hoang Chau commune of Hoang Hoa district, which hosts the Lach Truong estuary and Con Truong sand dune, there is about 300 ha of brackish water aquaculture and 106 ha of mangroves that act as nursery for aquatic species and birds and offers coastal protection[\[xxi\]](#). In the 1970s, the setting up of aquaculture ponds resulted in disappearance of mangrove habitat; this was revived under a national project between 1996-2018[\[xxii\]](#). Mangrove plantations have continued in this area with a project even in 2021[\[xxiii\]](#). There are also other small mangrove areas of 3.9, 4.8 and 6.6 hectares in Southern Hoang Phong, Northern Hoang Yen and Southern Hoang Phu commune adjacent to Lach Truong River and Southern Ma River.
50. The same project also supported tree planting (casuarina, bamboo, eucalyptus), when mangroves were unsuitable, along coastline and riverbanks in Nghe An (including the Hung Nguyen district) to reduce soil erosion[\[xxiv\]](#). Estuaries with mangroves/wetlands are located outside of the CRWIS districts in Nghe An.
51. Sen Tam Quy natural reserve, located in Ha Linh, Ha Tan and Ha Dong communes of the Ha Trung district, has a total area of 1,314 ha (518.5 ha of which is core[\[xxv\]](#). Besides protected species of flora *Madhuca pasquieri* (classified as vulnerable-VU) and *Erythrophleum fordii* endangered-EN), about 22 mammalian, 51 avian and 59 reptilian and amphibian species are reported. Of which 10 species are in the IUCN red list, including *Ophiophagus Hannah* (VU), *Cuora galbinifrons* (CR), *Nycticebus pygmaeus* (EN), *Iutra Iutra* (NT and ND), *ratufa bicolor* (NT), *Varanus salvator*, *Viverricula indica* and *Macaca mulatta* (LC)[\[xxvi\]](#).
52. Pu Mat National Park in Nghe An, spans 180,715 ha (of which 94,715 ha is core) across two of the CRWIS districts (Con Cuong, Anh Son), and is a part of the Western Nghe An Biosphere Reserve and was recognized in 2007 as a world biosphere reserve. Pu Mat's wildlife rescue center will be upgraded into one of nine key national centers over 2021-2030. There are 2691 flora, 132 mammalian, 341 avian, 86 amphibians and reptilian, 83 aquatic, 459 butterfly species[\[xxvii\]](#); many of which are in the IUCN Red List and 2007 Vietnam Red Book. This includes endemic species of high conservation value such as elephant (*Elephas maximus*), Northern White-cheeked gibbon (*Nomascus leucogenys*), Truong Son muntjac (*Muntiacus truongsonensis*), Annamite striped rabbit (*Nesolagus timminsi*), and the Red-shanked duoc (*Pygathrix nemaeus*). Some animals (e.g., Tiger) are listed but there have been no camera capture images since 1999 and tracks have been found only in the Vietnam-Laos border[\[xxviii\]](#).
53. Across Thanh Hoa and Nghe An, except Chau Khe, Ha Tan, and Yen Son communes, other CRWIS communes are not in the internal buffer zone of nature reserves or national parks. At the PDR stage, Ha Tan and Yen Son communes of Ha Trung have been identified as potential CRWIS communes; 2 hamlets (Tan Son hamlet, Ha Son and Tay Ninh hamlet) of the Yen Son commune may lie in the buffer zone of Sen Tam Quy Natural Reserve. Chau Khe commune, Con Cuong, hosts 3 hamlets (Bu, Na, Khe Nong) located in the buffer zone of Pu Mat National Park and the commune itself is planned to be a part of the Pu Mat-Pu Huong biodiversity corridor as indicated in the Master Plan of Nghe An for period 2021-2030. In case the CRWIS hamlets are located in the buffer zone of Sen Tam Quy Natural Reserve or Pu Mat National Park and infrastructure activities impacts these lands, the feasibility study at early implementation stage will assess risks and propose mitigation measures. Agricultural activities, including those supported by the project, will occur in existing lands and is not expected to encroach or increase pressure on protected areas.
54. In discussions with Con Cuong district officials, local people and the Management Board of Pu Mat National Park, they reported that elephants or other wild animals are rarely seen outside of Pu Mat and did not report human-wildlife conflicts; this is confirmed by a 2021 study of the area[\[xxix\]](#). This applies to other mammals as well given the small population sizes and their location within these parks.
55. There is little information on aquatic species or biodiversity in the Lam, Ma, Len, and Cung River basins. There were 269 species of fish identified in Ma river basin in the past[\[xxx\]](#). The Nghe An Master Plan mentions 157 fish species in the Lam but does not

list characteristics, locations or threats. However, eight rare fish species have been identified at the planned river fish protection area on Giang River (Lam distributary), within the Pu Mat core area. The operation of (existing) multiple hydropower dams upstream of Lam River has threatened the river ecosystem. The fish species composition in Lam appears to have changed, as a result: fish species that prefer flowing water have decreased in number, fish species that prefer stagnant water have increased. After several years of hydropower operations, there may be a decline in rare native fish species such as *onychostoma laticeps* (cá mát), *bagridae* (cá lãng), special carp (cá tít mũì), etc. On the other hand, farmed fish species or stagnant- water fish types such as silver carp, *labeo rohita* and *tilapia* will increase[xxxix].

56. Because CRWIS focuses on irrigation and water resources, an assessment of the unique and/or historical factors that may adversely affect quality and drainage/flow of water is needed as below.

2.3.1.c Domestic water supply

57. The main sources of water for domestic use includes collected/harvested rainwater, well water and piped water; the extent which households draw water from irrigation canals was found negligible. While 98% of the Vietnam’s population in 2022 reported basic access to improved water source (within 30 minutes collection time), access is much lower in poorest income quintiles (92%) and for the Tay, Thai, Muong and H’Mong Ethnic Groups (82.8-90.7%)[xxxix]. Also, while 83.31% of Nghe An and 95.3% of Thanh Hoa *urban* population had central piped water supply in 2022[xxxix], the numbers for rural piped water access are much lower: 71-80% in the two Thanh Hoa districts and less than 44% across the six Nghe An districts. Thanh Hoa households report using small water filters to treat water for drinking and cooking; there are water treatment plants in some Nghe An districts but a few, which use river water, have had to suspend operations during the summer (April-August).

2.3.1.d Solid waste management

58. In two Thanh Hoa districts, 90-98% of the solid waste produced daily is collected and treated by combustion or landfills. About 25% and 20% of the total domestic waste in Hoang Hoa district and Anh Son district are composted daily. Across the six districts of Nghe An, 62-72% of the domestic waste is collected in districts other than Do Luong and Nam Dan – the latter two collect 100% of domestic waste. Treatment of domestic solid waste remains a challenge given the limited landfill area. In 2017, Vietnam had only 203 sanitary landfills out of 660[xxxix], which meant the remainder did not collect and treat the leachate that pollutes soil and water. Currently, two waste-to-energy plants are operational in non-CRWIS areas (Nghì Son town and Tho Xuan district) of Thanh Hoa with capacities of 20 MW and 15 MW respectively. While Nghe An has a solid waste treatment plant in Dong Vinh (capital district), no waste-to-energy plants are operational in CRWIS districts. Considering the population size of over 100,000 people in all districts except Con Cuong, Nghe An is well placed in terms of waste-to-energy transformation potential[xxxix]. Solid waste does get dumped (in canals and rivers) affecting water quality and flow, particularly where the canals don’t have a slab; but district officials specifically mentioned putting effective programs in place over the last 2-3 years.

59. Close to 100% of the industrial solid waste of Thanh Hoa is collected and recycled / buried / combusted; hazardous waste is 100% collected and treated separately. While all communes of Nghe An reported that the Women’s Union facilitates collection of agro-chemical packages, at least one (in Nam Dan) reported burning-burial method (an issue for plastic) and another (in Hung Nguyen) reported not separating bags from domestic waste – falling short of Vietnam’s own standards.

2.3.1.e Wastewater treatment and quality

60. Neither of the CRWIS districts in Thanh Hoa have wastewater treatment plants; only Thanh Hoa city, Sam Son city and Bim Son town in Thanh Hoa province have facilities. Anh Son and Nam Dan towns of Nghe An’s CRWIS districts have domestic wastewater treated on-site; other CRWIS districts of Nghe An lack these systems. Therefore, households, for instance, rely on septic tanks. **Table 7** summarizes major issues for CRWIS rivers.

61. **Table 7. Key issues for water quality**

#	District / Province	Major issues reported or identified for further assessment
1	Ha Trung	<ul style="list-style-type: none"> - Majority of wastewater from households, light industrial clusters and craft villages is untreated. - Hoat river: concentration of Total Suspended Solids (TSS) and iron (Fe) was frequently 1.34-4.7 and 1.03-2.24 times higher[xxxix], respectively, than the irrigation water standard. - Some canals that combine drainage and irrigation (mostly on-farm canals) may increase the risk of irrigation and river pollution through agro-chemical residues and aquaculture waste, particularly when used in excess.

2	Hoang Hoa	<ul style="list-style-type: none"> - Cung river: crosses aquaculture, industrial zones (e.g., Hoang Dong industrial zone), and residential areas. Wastewater from fish and shrimp ponds is discharged directly into irrigation and drainage channels resulting in both environmental pollution and disease risks (to other ponds). NH₄, NO₂, TSS and coliform in Cung River (Hoang Phu commune) and Lach Truong estuary were 1.1 to 3.2 times higher than the surface water quality standard^[xxxvii]. Biological products have been used to treat aquaculture wastewater, but with limited impacts^[xxxviii]. Elevated concentrations of NH₄ and TSS (1.9-2.1 times and 1.6-1.7 times higher than) were found in shrimp ponds in Hoang Phu and Hoang Yen communes^[xxxix]. - Do and Ma river: TSS and Fe in Bong intersection and the intersection between Do and Ma were 1.04-2.64 and 1.55-9.33 times higher^[xli], respectively, than the irrigation water standard.
3	Nghe An	<ul style="list-style-type: none"> - Lam river: Majority of wastewater from households and commercial / light industrial clusters is untreated. - Lam river: quality monitored in July, September, and November 2022. No signs of pollution by heavy metal like arsenic, cadmium, and lead. TSS was 1-2 times higher than the irrigation water standard. E-coli, BOD₅, NO₂⁻ and PO₄³⁻ concentrations all met the standard^[xlii]. - Potential water pollution due to agro-chemicals and other untreated waste in some combined drainage and irrigation canals.

2.3.1.f Air quality due to mining

62. In Thanh Hoa, the air quality is monitored every two months (NO₂, SO₂, CO, TSP, NH₃, H₂S, lead and PM₁₀ but not PM_{2.5} or other pollutants) in 31 locations affected by transport or industries/craft villages. The PM₁₀ concentration measured in 24 hours at But Son town residential area exceeded the national standard^[xliii] only one time in 2020. In Ha Trung town, the total suspended particles (TSP) measured in 1 hour ranged 76-446 µg/m³, with the highest level exceeding the national standard by nearly 1.5 times; PM₁₀ concentration measured in 24 hours ranged 32-178 µg/m³ with the highest concentration exceeding the national standard by nearly 1.8 times during the monitoring years of 2020-2023.
63. In Ha Tan commune (Ha Trung), quarrying and mining generates heavy air pollutants which has implications for human health^[xliv] but can also impact crop production and livestock. Out of the 15 quarries in Ha Tan, 13 are licensed to exploit minerals over 795,016.2 m² (mining reserve: 13,672,130 m³; total mining capacity: 505,000 m³/year). Several mines do not follow environmental safeguards; this extends to trucks transporting the extracted material – resulting in dust and noise pollution^{[xlv], [xlv], [xlv]}. Older adults with chronic heart or lung disease, children and asthmatics are the groups most likely to experience adverse health effects^{[xlvii], [xlviii]}.
64. In Nghe An, the environmental monitoring program measures air quality (NO₂, SO₂, CO, TSP, and PM₁₀ but not PM_{2.5} or other pollutants) at 23 locations every two months. The monitoring locations in project areas (Song Lam Cement Factory in Do Luong district, Song Lam Cement Factory 2 in Anh Son, Kim Lien relic site in Nam Dan, the VSIP industrial park in Hung Nguyen) do not report exceeding the allowable thresholds^[xlix].
65. To summarize, the extent of untreated wastewater but also leachate and agro-chemicals released into the CRWIS rivers and irrigation channels requires better assessment. Water quality appeared unaffected by the unregulated stone mining activities in Ha Tan commune of Ha Trung district..

b. Climate trends and impacts

2.3.2 Climate trends and impacts

66. With more than 3260-kms of coastline and location within the Asian typhoon, Vietnam is ranked among the five countries most affected by climate change and natural hazards^[ii] and 13th in the list of 180 countries in the Global Climate Risk Index (2009-2019).

2.3.2.a Provincial analysis of observed climate trends

67. The provincial-level climate trend analysis shows that average temperature in Thanh Hoa increased 0.6%-1.2% over the period 1961-2018 (i.e., 0.1-0.2 °C each decade). Nghe An has also experienced an increase in average temperature but the provincial temperature has been erratic (the historical heat waves observed during 2009-2019, first snow event in 2014, and the historical lowest temperature of minus 8deg C in 2016^[iii]). Both provinces have experienced higher frequency and intensity of extreme precipitation, floods, and droughts. Parts of Nghe An also experience salinity intrusion: monitoring records for 2016-2020 show that salinity went up by 12% in Hung Nguyen district^[iii].

2.3.2.b Climate change scenarios^[iii],^[iv]

68. Under RCP8.5 and by 2035, Thanh Hoa's average annual temperature is projected to increase by 0.9-1.0°C compared to baseline (1986-2005). By 2050, the average annual temperature increase will be between 2.1-2.2 °C. The number of hot days (daily temperature > 37°C) would increase to 1-3 days/year, and by 2100, the annual temperature is likely to increase by 3.6-3.9 °C.
69. Under RCP8.5, annual rainfall in Thanh Hoa will increase as well: at the beginning of the century, projections suggested an increase from 2-24% by mid-century, and 10-35% by 2100. Increases are associated with monsoon months and are projected to have greater year to year variability. At the same time, the region might experience increase in number and severity of droughts.
70. In Nghe An, by 2065, the average annual temperature is projected to increase by 1.6°C-2.1 °C compared to the baseline period (1986-2005) under RCP4.5 and RCP8.5. By 2100, the temperature is projected to increase by 3.8 °C under RCP8.5. The average annual rainfall projections suggest an increase of 18.3% by 2065 and 19.4% by 2099 under RCP8.5.
71. The projected proportions of permanently flooded land under RCP 8.5 for Ha Trung and Hoang Hoa districts correspond to 38.6% and 58.4% by 2050 and 40% and 69.6% by 2100. Sea-level rise affecting both Thanh Hoa districts will worsen inland saline intrusion – exacerbating water shortages and challenges to land use planning. About 16,000 hectares of Hung Nguyen's land (the only coastal district in Nghe An) is projected to be permanently inundated under RCP 4.5. Under the impacts of increasing temperature and sea-level rise coupled with a decrease in freshwater flow upstream of Lam River, saline intrusion in Nghe An is projected to increase in terms of intensity and frequency.
72. Vietnam's NDC^[iv] emphasizes the impacts of climate change on the agricultural sector, particularly the reductions of rice and corn yields: 8.8% and 18.7% by 2030, and 15.1% and 32.9% by 2050 (RCP unclear). If the sea level rises by 100cm, 32.2% of agricultural land is at risk of flooding. Climate change and extreme weather events are also likely to increase (a) the risks of forest fires in CRWIS region; (b) pests and diseases affecting crops, livestock and trees; and (d) salinity intrusion affecting aquaculture productivity.

c. Climate change mitigation

2.3.2 Climate change mitigation

73. In Vietnam, the Energy sector is the highest GHG emitter (60.4%), followed by the Agriculture (31.6%), Industrial Processes and Product Use (IPPU, 13.6%) and Waste (7.5%) in 2014. LULUCF absorbed more carbon than it released [lvi]. The NDC aims to reduce 15.8% of total GHG emissions by 2030 compared to Business-as-Usual (BAU) [lvii], [lviii]. With support from international partners, Viet Nam will target 43.5% reduction by 2030 compared to BAU. The main sectors for mitigation include energy, LULUCF, waste, industry, and agriculture—which requires emissions reduction in both rice and livestock (particularly methane).
74. Several measures in agricultural production (organic fertilizer, crop diversification, SRI, AWD) has limited potential to reduce GHG emissions as well as enhance adaptation at the same time. Consultations and FGDs confirmed that farmers in the project area have received several trainings on composting. Organic fertilizer has been used (but in combination with inorganic type) and is increasingly produced by local start-ups or cooperatives in some CRWIS districts like Ha Trung and Hoang Hoa.
75. The project is not anticipated to increase emissions substantially provided water use management, integrated fertilizer management and value chain development is combined with irrigation upgrade; this can avoid maladaptive actions (e.g., increase in irrigated rice area) and could enable emissions intensity reduction for rice by stabilizing / enhancing yields. Finally, the pumping stations will use electricity generated through hydropower.

2.3 Target group profiles

76. CRWIS will target climate-vulnerable communities, including poor/near-poor households, women and women-headed households, youth, and smallholder farmers with various degree of market participation. It will be inclusive of Ethnic Minorities and other marginalized groups. Selection of pumping stations and communes at PDR stage will take these priority groups into account; the targeting criteria for beneficiaries will be identified at that time as well and emphasize context-specific socio-economic and climate vulnerabilities (temporary local inundation, salinization and droughts – Ha Trung; river flooding and river erosion – Hoang Hoa; drought and river flooding – Nghe An, including salinization in coastal communes).
77. Direct beneficiaries will also include micro-, small- and medium-sized agri-businesses (MSMEs), Water Use Groups, producer organizations, and the private sector through 4P approach. DARD, DONRE, and some district- and commune-level institutions will benefit from technical capacity development activities under CRWIS.

3. Institutional analysis

78. The CRWIS project will involve a range of province-, district-, and commune-level ministries. The project will also align with national policies, and leverage/complement key projects and programmes implemented by these agencies. Key agencies and their roles are listed below.

79. State agencies

- Vietnam's Environmental Fund, Ministry of Natural Resources and Environment. Potentially, Designated Authority for Adaptation Fund proposal.
- Ministry of Planning and Investment, responsible for investment planning and will submit the proposal to the Prime Minister for approval.

80. Provincial agencies

- Provincial People's Committee, the Executing Entity that will coordinate CRWIS via the Project Management Unit for Investment and Construction of Agricultural and Rural Development projects, supported by the Provincial Irrigation Centre.
- Department of Agriculture and Rural Development (DARD) and its Provincial Irrigation Division will be responsible of the design, construction, and operations of irrigation infrastructure.
- Department of Natural Resources and Environment (DONRE) will be responsible for activities under the (potential) Adaptation Fund proposal.
- Department of Planning and Investment (DPI) and Department of Finance (DOF), which work with other departments to develop and manage investment plans of the provinces.
- Department of Labour, Invalids and Social Affairs (DOLISA) together with the Provincial Committee of Ethnic Minorities (PCEM), Provincial Women's Union (PWU), Provincial Young Union (PYU), and the Provincial Farmers Union (PFU), which may support implementation directly and indirectly (co-financed or leverage projects).
- District-level and Commune-level People's Committees and affiliated divisions collaborating to design, monitor and support project deliverables.

4. Environmental and social category

81. The social and environmental risk rating is **Substantial**.
82. **Potential land impacts.** The rehabilitation of irrigation infrastructure will be mainly at main canal and secondary canals. Construction of short section of new canals are anticipated but will be limited to a number of schemes only. In some schemes, existing pumps will be replaced (with new ones), and in others, existing pumping station will be relocated to improve water distribution by increasing water intake. Based on the potential list of civil work subprojects prepared by Thanh Hoa and Nghe An, about 8,000 m² of private land may be acquired permanently in both provinces, affecting an estimated 248 households (averaging less than 5% of agricultural landholding for each individual household). No physical resettlement is anticipated at this time, and will be avoided through alternative engineering designs. During construction, it is estimated that 4,229 households will be affected temporarily in Nghe An, and 2,068 households in Thanh Hoa (averaging 31m² per households). Temporary impacts are short duration, localized due to contractor's construction activities. A Resettlement Plan has been prepared to guide compensation payment for affected households. The RP is prepared in accordance with Standard 7, and in line with relevant national laws and regulations. An FPIC Implementation Plan was also prepared to ensure peoples affected by land acquisition are consulted appropriately and provide Free, Prior, Informed Consent to the subproject, and to investment activities that affect them adversely.
83. Ethnic Minorities makes up a very small percentage of the population among the potential 53 project communes. Chau Khe Commune, Con Cuong District, Nghe An Province is the only commune that is home to three Ethnic Minority groups, including Thái (678 households), Thổ (375 households), and Khơ Mú (79 households). These Ethnic Minorities account for 73.8% of the commune population. The project is likely to target only two villages of Chau Khe commune (Village 29 and Village Bãi Gạo) with 242 potential beneficiary households (101 beneficiary households are from Thai ethnic minority). The rehabilitation of irrigation canals might involve acquisition of agricultural lands owned by Ethnic Minorities. However, no permanent land acquisition is anticipated based on the current initial scope of investment.
84. The presence of Ethnic Minorities requires a consultative approach, including with customary governance structures, to ensure that (a) activities reflects their needs and priorities and (b) they benefit from the project, particularly in line with access and benefit sharing norms for enhanced commercialization of (intangible) cultural heritage such as flower tea, rice wine and bamboo shoots. A Stakeholder Engagement Plan, an Ethnic Minority Plan, and an FPIC Implementation Plan have been prepared to set forth procedures for iterative engagement of Ethnic Minorities.
85. The private purchase and use of agro-chemicals by farmers, and the potential for improper waste management are risks to water quality and flow, which may reduce the effectiveness of irrigation upgrade and pose health risks. An Integrated Fertilizer / Pesticide (Agro-Chemicals) Management Plan has been prepared to support climate-resilient and sustainable agriculture activities.
86. Data on the nature and historical impact of mining activities on soil, water and air – with potentially differential effects on (say) labourers involved in construction works or agricultural productivity – is very limited, especially for water and soil quality. As is the data on historical impacts of hydropower dams and reservoirs on biodiversity and land/soils along the river. Some risk mitigation measures have been proposed, in line with risk rating, in the ESCMP.

5. Climate risk category

87. The climate risk rating for CRWIS is **Substantial**. Besides the climate risks described, farmers and marginalized groups have limited adaptive and coping capacity; related data and analysis is presented in the Targeted Adaptation Assessment. The irrigation infrastructure was not designed for climate resilience, and data on river flow and water demand is limited.

6. Recommendations for project design and implementation

88. The choice of activities, value chains, and target communities should consider how they will enable pro-poor outcomes, food security and climate resilience. Targeting and participation of Ethnic Minorities and all other marginalized groups (poor, near-poor, women, youth) will be fostered through adequate consultations to understand needs and priorities, and tailoring project activities. While women and youth will significantly benefit through reliable / timely irrigation and value chain development, gender transformative and youth sensitive outcomes require (i) ensuring short-term employment opportunities in infrastructure upgrade; (ii) supporting technical skills in operations and maintenance of irrigation infrastructure, and increased role in decision-making (management) in Water User Groups and community-managed stations; and (iii) identifying entry points for commercialization of agricultural production (where feasible) and/or strengthening nutrition and food security. This reflects the fact that while Vietnam has strong gender equality policies and strategies, implementation is lacking; there is a need to address the discriminatory social norms (including gender-based violence) that have limited women's role in decision making.
89. Mobile applications for climate services information have becoming more popular in Vietnam with the participations of private companies and provincial/regional/national hydromet centers; However, these apps are not well-known or used in CRWIS districts – except for Mobi Agriⁱⁱⁱ mentioned by a community leader in Do Luong district. Depending on whether these apps are free or paid versions, the services can include weather forecast, early warnings, market news of some agricultural products, crop calendars, information on crop varieties and livestock breeds, diagnosis of crop/livestock diseases and treatment advice, live questions and answers, etc. Since climate information services have high potential to complement and provide confidence in agricultural investment decisions of farmers, and because past pilots that successfully provided agro-climatic advisories were not replicated, there is a need to explicitly address sustainability and build on existing initiatives as much as possible.

7. Further studies needed

90. The following assessments have been completed at design:
- Targeted Adaptation Assessment.
 - Stakeholder Engagement Plan (which includes project-level Grievance Redress Mechanism).
 - FPIC Implementation Plan.
 - Ethnic Minority Plan (Indigenous Peoples Plan).
 - Resettlement Action Framework / Plan.
 - ESCMF, including the ESCMP. Please note that ESIA might be needed for specific infrastructure sub-projects, if locations are known at the time of PDR.
 - Chance Finds Procedure.
 - Integrated Fertilizer/Pesticide Management Plan/Framework.
91. Additionally, because the design stage elaborates the full scope of the project and activities:
- The targeting strategy, including criteria for beneficiary selection, has been refined.
 - SECAP ratings have been revisited and revised, particularly as regards
 - the extent of historical pollution and its impacts on agriculture, human health and the environment in CRWIS target geographies
 - the extent and nature of land acquisition and economic displacement, under Component 1, to inform the preparation of the Resettlement Action Plan or Framework.
 - the command area of irrigation systems identified for upgrade and rehabilitation.

8. Monitoring and evaluation

92. In the logical framework, the Project elaborates M&E indicators to measure and monitor climate resilience, adoption of CSA practices and value chain development, gender and youth issues, and capacity development of community, farmer and government institutions.

9. References

93. n/a

ESCMP Matrix

94. **CRWIS ENVIRONMENT, SOCIAL, CLIMATE MANAGEMENT PLAN (ESCMP)**

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	R e s p o n s i b l e I n s t i t u t i o n	Means of Verification (Monitoring and reporting)	F r e q u e n c y o f V e r i f i c a t i o n	C o s t E s t i m a t e
NEGATIVE OR ADVERSE IMPACTS						
<p>Increased availability & timely water supply may result in agricultural intensification:</p> <ul style="list-style-type: none"> expanded rice cultivation area. increased use of (autonomously purchased) agro-chemicals. <p>This could result in increased GHG (including methane) emissions from rice or improper handling or leaching of agro-chemicals into soil and water (irrigation system, river)</p>	<p><u>Embed Climate-smart Agriculture approach in project activities:</u></p> <ul style="list-style-type: none"> continue to promote crop diversification and stress-tolerant varieties of rice (both are autonomous adaptation actions practiced by some farmers and promoted by government but with limited success). management practices such as AWD / SRI / organic inputs that can increase water-use intensity, soil quality, and reduce GHG emissions. <p><u>Additional measures to mitigate risks associated with agro-chemicals used independently by farmers:</u></p> <ul style="list-style-type: none"> IPM: Promote use of integrated fertilizer / pesticide management. Safe handling and application training: Educate farmers on safe and minimal usage of agro-chemicals. Capacity of government systems: Ensure awareness / support capacity development of govt. officials (including commune level) on best practices for sorting and treating / disposing agro-chemical packages (e.g., that used pesticide bags should not be mixed with domestic waste). 	<p>Meetings with farmers, farmer groups, and WUGs ahead of finalizing project activities and regular consultations thereafter.</p> <p>Focus groups during supervision missions.</p>	P M U	<p>Annual progress report by PMU</p> <p>Supervision report by IFAD</p>	A n n u a l	C o s t i s i n t e g r a t e d i n t h e i m p l e m e n t a t i o n c o s t o f C o m p o n e n t 2 a n d 3

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	R e s p o n s i b l e I n s t i t u t i o n	Means of Verification (Monitoring and reporting)	F r e q u e n c y o f V e r i f i c a t i o n	C o s t E s t i m a t e
<p>Floods along the Lam / Len (Hoat) / Cung rivers could affect upgraded pumping stations & damage concrete canal structures, and directly or indirect harm people. This could be due to climate change or improper reservoir management upstream of any given pumping. There is some coordination between Vietnam's irrigation companies and Lao PDR hydropower (upstream, for some CRWIS districts that border Laos) managers. But there is limited communication and coordination between irrigation companies and stakeholders within and across provinces, districts and communes.</p>	<p>Project will support:</p> <ul style="list-style-type: none"> · Careful site selection for relocated pumping stations to ensure future climate risks are considered. · Design of climate-resilient structures e.g., buildings for pumping stations & choice of pump models, measures to prevent soil erosion & sedimentation – including on embankments using vetiver vegetation, use of saline-resistant materials for mechanical parts, adequate water discharge capacity for culverts / bridges / ditches, and heat-resistant asphalt materials. · Improved coordination and planning mechanisms for water management between irrigation companies, Water User Groups & village leaders, DARD, DONRE's hydrology & meteorology department. · Technical capacity on water use management for water users (focus on operations & maintenance, increasing awareness of climate trends & risks) and other stakeholders, including update of flood and drought risk maps. · Streamlining CIEWS (climate information and early warning system) delivery so that early warning & associated temporary evacuation measures can be put in place when needed. 	<p>Meetings with village leaders and communities – including farmers, women, youth, Ethnic Minority households.</p>	<p>P M U</p>	<p>Technical Feasibility Study TOR & final report, during early implementation, to inform the design of project investments (site selection & finalization of irrigation / flood-control infrastructure) should incorporate most recent climate trends & CC scenarios.</p> <p>Annual progress report on Component 2 activities related to coordination and planning mechanisms , technical capacity for WUGs, and CIEWS.</p> <p>Feedback surveys on project performance</p>	<p>A n n u a l</p>	<p>Cost is integrated in the implementation cost of Component 1 and 2</p>

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
<p>Risk of (a) untreated wastewater, (b) agro-chemicals pollution, (c) improper solid waste reclamation / treatment / disposal mechanism resulting in landfill leaching, and (d) hazardous or nonhazardous waste from mining affecting quality and flow of water in river and canals. While Vietnam regulations require booklets on safe handling of agro-chemicals inside the bag, this is insufficient.</p> <p>Risk of (a) untreated wastewater, (b) agro-chemicals pollution, (c) improper solid waste reclamation / treatment / disposal mechanism resulting in landfill leaching, and (d) hazardous or nonhazardous waste from mining affecting biodiversity of aquatic ecosystem.</p>	<p>Agro-Chemicals Pollution: Climate-smart Agriculture approach embedded in project activities:</p> <ul style="list-style-type: none"> · Organic inputs: Promote use of organic inputs, such as microbial manure and scale from successful district pilot projects (link women-led cooperatives to dairy companies that have challenges in handling manure; introduce compost turners; etc.) · IPM: Promote use of integrated (site-specific) fertilizer / pesticide management and other on-farm management practices that can complement input-use efficiency. · Safe handling and application training: Educate farmers on safe and minimal usage of agro-chemicals. · Capacity of advisory system: Ensure awareness / support capacity development of govt. officials on best practices for sorting and treating / disposing agricultural waste (e.g., that used pesticide bags should not be mixed with domestic waste). <p>Improper Solid Waste Reclamation / Treatment / Disposal:</p> <ul style="list-style-type: none"> · Capacities of WUGs and village bodies: Strengthen capacity of WUGs on annual operations and maintenance plans for canals, and coordinate with village leaders as well as commune and district administration on support for solid waste management programs, including composting. · For the infrastructure components, evaluation criteria of GOV will assess proposed measures to ensure safety environmental protection (wastewater, garbage, dust, noise pollution) and safety of infrastructure during storm season and supervised during implementation. <p>Untreated Wastewater and Improper Solid Waste Reclamation / Treatment / Disposal:</p> <ul style="list-style-type: none"> · Government budgeting and complementary programs: Leverage existing and planned government programs (on wastewater treatment plants, solid waste management) for 	<p>Focus group discussions with communities to create awareness on how their domestic waste management practices affect effectiveness of project activities.</p> <p>Meetings with members of People's Committees, Farmers Union, Youth Union and Women's Union at commune and district level to raise awareness of project, since there is a possibility of non-CRWIS villages/communes affecting water quality and flow in CRWIS communes.</p> <p>Data collection and awareness raising of line departments responsible for water, air and soil pollution monitoring and mitigation</p>	<p>Annual progress report.</p> <p>PMU Supervision report by IFAD</p>	<p>Annual</p>	<p>Cost is integrated in the implementation cost of Component 1 & 2</p>	

Environmental/Social and climate Impacts	<p>complementarities. Coordinate with Women's Union which manages domestic waste management programs. Encourage government programs to prioritize CRWIS villages and communes for budgetary allocation as regards the same.</p> <ul style="list-style-type: none"> Wastewater Treatment Plants (WWTPs): Potentially, install and maintain efficient WWTPs to treat wastewater before it's released into the environment. <p>Recommended Mitigation/Enhancement measures</p>	<p>activities.</p> <p>Public Consultation Activities</p>	<p>R e s p o n s i b l e</p>	<p>Fr e q u e n c y o f V</p>	<p>Co st Esti mat e</p>
	<p>Land acquisition & compensation to comply with the RAP/F, specifically:</p> <ul style="list-style-type: none"> Prepare procedures for the households who agree to donate land. Allocate funding to compensate and support households who donate land but encounter 	<p>Regular meetings</p>	<p>n s t i t u t i o n d M U</p>	<p>er ifi ca ti o n Q u a</p>	<p>PM</p>
<p>Land acquisition for pumping station relocation or canal network expansion might create inter-personal conflicts or stress.</p>	<p>difficulties so that they can stabilize their lives after giving land to the subproject.</p> <ul style="list-style-type: none"> Organize the demarcation of landmarks of construction sites and locations of excavated soil yards as a basis for implementation. Support displaced households to restore their livelihoods and living conditions equal to or higher than their conditions prior to subproject implementation. Priority in recruitment to work for the subproject if meeting the requirements 	<p>with village leaders and communities.</p> <p>Focus groups during supervision missions.</p>	<p>& c o n t r a ct o r</p>	<p>through GRM. Annual report by PMU Supervision report by IFAD</p>	<p>rt er y / A n n u a l U a d mini stra tion bud get</p>

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Risk of temporary disruption to land use based on construction activities	<ul style="list-style-type: none"> · The project will utilize participatory land use mapping, planning, and management to avoid risks related to social exclusion and to work towards recognition of land rights for persons typically excluded from the process. This will be particularly relevant for EM communities, whereby the planning serves as an opportunity to incorporate traditional ecological knowledge and EM practices into the community management of the associated land. · Consult with stakeholders at early implementation to revise above-mentioned plans. · Temporary disruption to comply with the RAP/F: · Prepare procedures for the households whose lands were temporarily disrupted. · Allocate funding to compensate and support households whose lands were temporarily disrupted. · The Contractor will install notice boards at the construction sites to publicize the name and telephone numbers of the representatives of persons who are designated to receive and document complaints. · Prior to site preparation and commencement of site works, the Contractor will meet stakeholders such as district and local authorities, e.g. DONRE, DARD; officers in charge of irrigation, navigation and transport; and community leaders in affected communities to provide relevant subproject information (e.g. activities, schedules, etc.) and to ensure that various concerns that may affect stakeholders are discussed and addressed. · Inform the local communities and authorities at least 1 month in advance the construction plan, and site-specific Environmental and Social Management Plan (ESMP). 	Regular meetings with village leaders and communities – including farmers, women, youth, Ethnic Minority households ahead of and during project implementation.	PMU & contractor	<ul style="list-style-type: none"> Quarterly review by PMU of complaint received through GRM. Annual report by PMU Supervision report by IFAD 	PMU administration budget	

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	R e s p o n s i b l e I n s t i t u t i o n	Means of Verification (Monitoring and reporting)	F r e q u e n c y o f V e r i f i c a t i o n	C o s t E s t i m a t e
<p>Risk of conflict between households and local communities if the sequencing of activities / delays in implementation to implementation is perceived as a factor in unavailability of irrigation water in a timely manner and in adequate quantities.</p> <p>Risk that farmers do not have sufficient knowledge or experience with field water drainage approaches. (Reputational risk to project in case of waterlogging and improper blame apportionment).</p>	<ul style="list-style-type: none"> · Farmers Field School (FFS): Implementing FFS will provide a platform for farmers to learn through observation and hands-on exercises. Farmers will experiment with different drainage techniques, observe their effects, and discuss their findings with peers and experts. · Water Users: Enhance the capacity of Water Users to coordinate and to make informed decisions. Potentially, training on conflict management. · Comply with the Stakeholder Engagement Plan (SEP): clearly communicated to communities, and regular meetings with village leaders / community members on any issue/conflict raised; Inform local residents about construction and work schedules, interruption of services, traffic detour routes and provisional waterway routes, blasting and demolition, as appropriate. · Implement the Grievance Redress Mechanism & ensure that communities are aware of GRM processes and procedures. · Adaptative management to ensure delays in implementation can be managed and quality of other activities / outcomes are not compromised. 	<p>Regular meetings with village leaders and communities.</p> <p>Focus groups during supervision missions.</p>	P M U	<p>Quarterly review of complaints received through GRM.</p> <p>Monitoring, Evaluation and Learning activities i.e., household surveys and focus group discussions to include questions on and document perceptions and conflicts.</p> <p>Annual report by PMU</p>	Q u a r t e r l y / A n n u a l	M & E b u d g e C a p a c i t y d e v e l o p m e n t a c t i v i t i e s b u d g e u n d e r S u b - c o m p o n e n t 3.1

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
<p>Risk that the rehabilitation of irrigation canals that benefit people from Bai Gao village (Chau Khe Commune, Con Cuong District, Nghe An Province) might involve lands owned or cultivated by Ethnic Minorities</p>	<ul style="list-style-type: none"> Stakeholder Engagement Plan, Ethnic Minority Plan, and FPIC Implementation Plan have been prepared to set forth procedures for iterative engagement of Ethnic Minorities in village Băi Gạo during this subproject planning and implementation. Key mitigation measures proposed in SEP to avoid social exclusion include: <ul style="list-style-type: none"> Identify the EM groups in each project commune/village Engage these groups are invited to project's relevant consultation meetings using communication methods prepared for vulnerable groups. Incorporate feedback from these groups consultation meetings prior to project implementation/selection of investment activities and ensure they could participate and receive project benefits. Maintain regular contacts with the groups during project design and during implementation activities, particularly activities that involve adoption of knowledge and practices recommended under the project. 	<p>Regular meetings with village leaders and communities.</p> <p>Focus groups during supervision missions.</p>	<p>PMU Local authorities,</p>	<p>Reporting using the FPIC Implementation Plan, and Ethnic Minority Plan outlined procedures</p> <p>Quarterly review of complaints received through GRM.</p> <p>Annual report by PMU</p> <p>Supervision report by IFAD</p>	<p>Quarterly</p>	<p>PMU administration budget</p> <p>M&E budget</p>

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
<p>Risk of adverse impacts on river biodiversity including disruption to ecological flows (migratory fish, water) with the development of dykes, roads, canals, reservoirs.</p> <p>Risk of encroachment on protected forest areas (in buffer zone commune in Con Cuong district – Nghe An province)</p>	<ul style="list-style-type: none"> · Prior to construction and/or implementation, an assessment of biodiversity in the area should be completed. Such an assessment should identify instances when/where fish ladders need to be included and/or communities need to be consulted on changes in timing and flow of the water. · GOV demarcates specific forest areas with high biodiversity and/or critical watershed management as protected areas (National Park, Nature Reserve,...). Only two CRWIS target hamlets in Nghe An are located in the buffer zone of protected area (Pu Mat National Park). The project interventions, pumping station construction is far away from the protected area. In case of Thanh Hoa the target hamlets have not been finalised and there are some hamlets within target communes that fall in external or internal buffer zone of Sen Tam Quy National Reserve. The project interventions, pumping stations, roads, irrigations are situated away from the protected area. The risk of encroachment is minor and mitigated directly through the planning process for selection of infrastructure. Site/infrastructure selection will fully comply with the Exclusion List – Annex 1 of ESCMF. <p>Note: SECAP risk screening identifies the risk of impacts on biodiversity in protected areas or other natural / critical ecosystems as low or moderate.</p>	<p>Regular meetings with village leaders and communities – including farmers, women, youth, Ethnic Minority households ahead of and during project implementation.</p>	<p>PMU & contractor</p>	<p>Adequate Procurement TORs.</p> <p>Quarterly review by PMU of complaint received through GRM</p> <p>Annual report by PMU</p> <p>Supervision report by IFAD</p>	<p>Monthly during construction.</p> <p>Quarterly / Annually</p> <p>Other project activities.</p>	<p>PMU administration budget</p> <p>M&E budget</p>

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Risk of worker exploitation (economic) or worker / community safety during canal or pumping station upgrade.	<ul style="list-style-type: none"> · In the procurement TORs, explicitly state requirements pertaining to safety, minimum wage, maximum working hours and other norms such as Gender-Based Violence, child labour. · Design and implement a robust Grievance Redress Mechanism & ensuring that communities are aware of GRM processes and procedures. · Put up clear warning signs, if needed, around irrigation upgrade site. Liaise with village leaders to inform communities. 	Regular meetings with village leaders and communities.	PMU & contractor	Adequate Procurement TORs.	Annual	PMU administration budget

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
<p>Labour related accidents on the part of persons, especially vulnerable persons, who work for project contracted construction companies.</p> <p>Risk of historical pollution (mines, solid waste, wastewater) affecting workers' & community health.</p>	<ul style="list-style-type: none"> · Evaluation criteria of GOV assesses proposed measures to ensure labour safety as well as environmental protection (wastewater, garbage, dust, noise pollution) and safety of infrastructure during storm season, and supervised during implementation. · Include in the general clauses of the bidding documents of suppliers, subcontractors and service providers compliance with IFAD's policy on preventing and responding to sexual harassment, exploitation and sexual abuse and mandatory references to security policies will be included in tender documents and concluded contracts. · A Labour Management Plan will be prepared during the first year of the project and prior to implementation of construction-related/labour-intensive activities. Such a plan will identify Occupational Health and Safety (OHS) risks, propose mitigation actions, and provide remedies for non-compliance. · Collect secondary data from existing pollution monitoring stations and introduce health and safety measures as needed. In Thanh Hoa (as well as Nghe An), monitoring mechanisms for air pollution from mining and provision of adequate safety /protection equipment and measures (e.g., spraying water) or suspension of working hours / days to reduce exposure are required. This should be specified in bidding documents and in labour management plan. · All contractors are required to conduct OHS training to raise awareness and promote application of good OHS practices prior to mobilizing all workers to construction sites. Train vulnerable/disadvantaged groups in the first meeting. Repeat as needed in subsequent meetings (post-training evaluation). · Where required, based on risk assessment at activity level, contractors will be required to engage qualified OHS staff to be in charge of OHS issues, including provision of training of workers, monitoring of OHS risks and proposed updated preventative measures. · Design and implement a robust Grievance Redress Mechanism & ensure that workers are 	<p>Data collection and awareness raising of line departments responsible for water, air and soil pollution monitoring and mitigation activities.</p>	<p>PMU & contractor</p>	<p>Adequate procurement TORs.</p> <p>Monthly monitoring of complaints at key stages of infrastructure upgrade activities.</p> <p>Quarterly review of complaints received through GRM.</p>	<p>Monthly / Annually</p>	<p>PMU administration budget</p> <p>M&E budget</p>

	aware of GRM processes and procedures.		R		
Environmental/Social and climate Impacts	<ul style="list-style-type: none"> Prior to the commencement of site works, the contractor will develop and publicize a grievance redress mechanism (GRM) that will allow for communities in subproject areas to lodge/record complaints and concerns. The system should allow for immediate response to and resolution of complaints relating to impacts. The GRM shall be consistent with the GRM described in the section IX of the ESCMF. The Contractor will install notice boards at the construction sites to publicize the name and telephone numbers of the representatives who are designated to receive and document complaints. Prior to site preparation and commencement of site works, the Contractor will meet stakeholders such as district and local authorities, e.g. DONRE, DARD; officers in charge of irrigation, navigation and transport; and community leaders in affected communities to provide relevant subproject information (e.g. activities, schedules, etc.) and to ensure that various concerns that may affect stakeholders are discussed and addressed. Inform the local communities and authorities at least 1 month in advance of the construction plan, and site-specific ESMP or EIA. 	Public Consultation Activities	Responsible for M&A activities	Means of Verification (Monitoring and Reporting) Monthly monitoring of complaints at key stages of infrastructure upgrade activities. Quarterly review of complaints received through GRM.	Frequency of Verification PMU Administration budget
Temporary traffic blocks and related safety issues during construction and operation		Regular meetings with village leaders and communities.			
Risk of local communities, especially vulnerable groups (EM, women), youth not prioritized for project-associated jobs.	<ul style="list-style-type: none"> Clear procurement terms on local community involvement and this should become one of the criteria for evaluation. At the moment, there is no GOV requirement on proportion of local workers, women and youth participating in bidding packages. In practice, however, 50-70% of workers come from local communities – of which, 50% are youth and 20% are women. Stakeholder engagement / FPIC processes to ensure local communities are fully aware of nature, timeline, and employment opportunities. Design and implement a robust Grievance Redress Mechanism & ensuring that communities are aware of GRM processes and procedures. 	Regular meetings with village leaders and communities – including farmers, women, youth, Ethnic Minority households ahead of and during project implementation.	PMU & contractor	Adequate Procurement TORs. Quarterly review by PMU of complaint received through GRM.	PMU Administration budget M&E budget
Risk of child labour *below 18 years of age: engaged in construction work. Low risk specific to children between 15-18 years.	<ul style="list-style-type: none"> In the procurement TORs, explicitly state requirements pertaining to Vietnam's regulatory requirements and IFAD child labour related norms. 	Regular meetings with village leaders and communities.	PMU & contractor IFAD	Adequate Procurement TORs.	PMU Administration budget M&E budget

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
<p>Risk that women are excluded from Water User entities (termed agricultural cooperatives in Vietnam) decision-making structures or that women, youth and other marginalized groups are insufficiently included across project activities.</p>	<ul style="list-style-type: none"> · Province-specific Gender and Social Norms Assessment to help identify barriers and entry points as a part of feasibility study at the early implementation stage. · Development of Gender and Social Inclusion Strategy at the early implementation stage that outlines a clear plan of action aimed at empowerment of women and youth (including those from Ethnic Minorities). · Implementation of a household methodology for improved gender relations to enhance climate resilience and business skills. · Strong project information dissemination mechanisms to describe project objectives and activities with a focus on outreach to women, youth, and other marginalized groups. · Implementation of project's beneficiary targeting strategy to ensure activities are inclusive of poor / near-poor households, women, youth, Ethnic Minorities, People with Disabilities and other marginalized groups. · Conducting GEWE training and creating voluntary "gender champion" roles at all levels of project implementation (province, district, commune). · Technical and leadership skills training and capacity development activities for women in agricultural cooperatives for irrigation/water management. This will include consideration and introduction of 'quotas' for women members, particularly in management roles that are non-administrative in nature. · Grants targeting women and youth will be explored to increase their resilience to impacts of climate change 	<p>Meetings with farmers, farmer groups, and WUGs ahead of finalizing project activities and regular consultations thereafter.</p> <p>Focus groups during supervision missions.</p> <p>Participatory approach to finalize sub-project activities, including women-only focus groups (if needed) to ensure meaningful participation.</p>	<p>PMU</p>	<p>Collecting and reporting on disaggregated (gender, youth, Ethnic Minorities, poor/near-poor) monitoring and evaluation data.</p> <p>Feedback surveys on project performance and beneficiary satisfaction / engagement by independent consultants</p>	<p>Annual</p>	<p>M&E budget</p> <p>Capacity development activities budget</p> <p>Budget for Gender and Social Norms Assessment.</p> <p>Budget for implementation of Gender and Social Inclusion</p>

			R e s p o n s i b l e	n S t r a t e g y a c t i v i t i e s/ a c t i o n C o s t
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Means of Verification (Monitoring and reporting) Collecting and reporting on disaggregated (gender, youth, Ethnic Minorities, poor/near-poor) monitoring and evaluation data.	Frequency of Deliverables and monitoring Estimate
Gender-based Violence - GBV (e.g. verbal and physical abuse, sexual harassment, violence against children...) due to influx of labour or due to prevalent social norms and/or changes in household dynamics owing to project activities	<ul style="list-style-type: none"> The requirement to prevent GBV, Sexual Abuse, and Sexual Harassment will be mainstreamed into the bidding documents - and this should become one of the criteria for evaluation, and all contracts to be awarded by PMU to all project contractors. All contractors and project workers will be required to prepare and sign a Code of Conduct to prevent GBV, sexual abuse, and sexual harassment using the national guideline for GBV prevention. Engage Women's Union (WU) at commune level to assist in resolution if the incidence occurs. Mandatory training on GBV to all project implementers and by contractors to their employees. Communities will be sensitized on GEWE, including GBV, to ensure that project contributes to reduced GBV risks and enables full participation of women in project activities, including decision-making structures at the commune level and in bodies such as agricultural cooperatives (on irrigation). 	<p>Meetings with farmers, farmer groups, and Water users ahead of finalizing project activities and regular consultations thereafter.</p> <p>Focus Group Discussions with individual groups (women, Ethnic Minority women, poor and near-poor women, young girls, agricultural cooperatives, commune leaders, etc.) during gender social norms assessment.</p>	<p>PMU & Contractor</p> <p>Province-specific gender social norms assessment will help determine the extent of GBV issues – providing baseline information.</p> <p>Feedback surveys conducted after GEWE training and sensitization for project implementers and communities.</p>	<p>Monthly for construction activities</p> <p>M&E budget</p> <p>Capacity development for projects budget</p>

Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	R e s p o n s i b l e I n s t i t u t i o n	Means of Verification (Monitoring and reporting)	F r e q u e n c y o f V e r i f i c a t i o n	C o s t E s t i m a t e
<p>Potential utilisation and/or commercial development of natural resources on lands and territories claimed by Ethnic Minorities and potential impacts on the Cultural Heritage of Ethnic Minorities, including through the commercialization or use of their traditional knowledge and practices</p>	<ul style="list-style-type: none"> Ethnic Minority Plan and FPIC have been prepared to set forth procedures for engagement and participation of Ethnic Minorities during project planning and implementation. Through improved market linkages and reduced transaction costs (middlemen), some products traditionally produced by Ethnic Minorities, such as rice wine, flower tea and bamboo shoots (intangible cultural heritage) - will fully take into account the access and benefit sharing principles, and value their knowledge and practices. Ethnic Minority Plan and FPIC processes will ensure that consent from Ethnic Minority governance institutions and structures is obtained for any matters that concern their land (private, common), water and other resources. 	<p>Consultation based on FPIC principles.</p> <p>Particular attention given to cases where ethnic minority people are present in subproject area (Chau Khe commune, Con Cuong District, Nghe An province), recognizing that ethnic minority in Chau Khe commune (Thai ethnic group) are not familiar yet with value chain and upscaled production due to limited land size and labor.</p>	P M U & c o n t r a c t o r	<p>Ethnic Minorities, (poor/near-poor) monitoring and evaluation data.</p> <p>Feedback surveys on project performance and beneficiary satisfaction / engagement.</p>	Q u a r t e r l y / A n n u a l f o r p r o j e c t a c t i v i t i e s	<p>M&E budget</p> <p>Capacity development activities budget</p> <p>Budget for the implementation of FPIC processes and EMP</p>

95. Annex:

96. ANNEX

97. **Figure 1: Locations of project districts in Thanh Hoa province and Nghe An province**

98. **Figure 2: Map of biodiversity spots in/near the Project area in Thanh Hoa province**

99. **Figure 3: Map of biodiversity spots in/near the Project area in Nghe An province**

100. **Table 1. Poverty and income statistics for CRWIS districts**

CRWIS District	Households	Poor households, 2022	Proportion of poor, 2022	Near-poor households, 2022	Proportion of near-poor, 2022	Average per capita income, 2022, thousandVND	Proportion of Ethnic Minorities
Thanh Hoa ^[1]	1,000,579	49,893	4.99%	68,946	6.89%	51,708	16.19%
Ha Trung	33,996	1003	2.95%	1423	4.19%	50,928	1.49%
Hoang Hoa	62,545	2037	3.26%	2372	3.79%	60,288	0.00%
Nghe An ^[2]	863,388	55,348	6.41%	53,571	6.2%	43,532	13.45%
Con Cuong	18,313	3,651	19.94%	3,085	16.85%	38,500	74.54%
Anh Son	31,058	1,828	5.89%	2,732	8.8%	42,240	20.03%
Thanh Chuong	62,149	2,703	4.35%	3,993	6.42%	46,100	4.45%
Do Luong	59,359	1,739	2.93%	2,293	3.86%	65,760	0.01%
Nam Dan	42,511	368	0.87%	1,348	3.17%	62,000	0.00%
Hung Nguyen	34,325	641	1.87%	981	2.86%	48,000	0.01%
National	27,628,253	1,057,374	4.03%	915,274	3.49%	56,076	14.7% ^[3]

101. Table 2. Nutrition profile CRWIS districts ^[4]

CRWIS District	Under-5 underweight (weight-for-age), 2022	Under-5 stunting (height-for-age), 2022
Thanh Hoa	23.2%	14.7%
Ha Trung	8.2%	10.6%
Hoang Hoa	4.5%	6.5%
Nghe An	14.9%	25.9%
Con Cuong	14%	20.8%
Anh Son	12%	12.8%
Thanh Chuong	11%	16.2%

Do Luong	9.0%	14.6%
Nam Dan	9.1%	16.9%
Hung Nguyen	7.98%	10.18%
National	10.8%	19.0%

102. Table 3. Land use by CRWIS districts in 2020

District 2020 data ^[5]	Agricultural production land* in 2020 (ha)	Production forest in 2020 (ha)	Rice growing in 2020 (ha)	Wet rice area in 2020 (ha)	Perennial crops in 2020 (ha)
Ha Trung	9,708.44	4,471.20	6,799.88	5,755.30	1,378.02
Hoang Hoa	9,591.95	1,086.59	7,096.50	6,245.98	901.99
Con Cuong	7,660.35	66,902.22	2,283.06	2,190.28	2,330.61
Anh Son	18,122.81	22,709.95	3,828.20	3,428.06	8,636.47
Thanh Chuong	30,942.00	45,938.67	10,050.91	7,309.17	8,191.08
Do Luong	15,671.31	7,760.18	8,991.76	8,558.04	4,283.53
Footnotes Nam Dan	13,866.50	4,397.33	7,713.80	7,319.27	2,843.81
Hung Nguyen	8,228.87	7,577.2	5,901.98	15,239.37	1,346.91

- In Thanh Hoa, eight communes of Hoang Hoa and Hoang Dong districts were visited. In Nghe An, all six CRWIS districts were visited, and one commune was selected within each district for site visits and focus group discussions.
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Environmental and Social Safeguards Classification: Substantial

Environmental and Social Safeguards				
Biodiversity conservation	Yes/No	Likelihood	Consequence	Risk Rating
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	Yes	Possible	Moderate Project will significantly affect modified habitat, but will not impinge on natural habitat or critical natural habitat.	Moderate
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	Yes	Likely	Minor Project is close to a protected area, and associated facilities may have an indirect impact unless the project is modified	Moderate
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	No			Low
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			Low
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	No			Low
1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	No			Low
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No			Low
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Yes	Possible	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Moderate
Resource Efficiency and Pollution Prevention	Yes/No	Likelihood	Consequence	Risk Rating
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	Yes	Possible	Major Project involves release of routine pollutants, and the proposed treatment system is not proven in local circumstances. Non-routine incidents have not been planned for. Receiving environment is not particularly sensitive, and impacts can be mitigated.	Substantial

Environmental and Social Safeguards				
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc)	Yes	Possible	Minor Project is partly dependent on production of living natural resources, but not enough to require serious environmental or social controls.	Moderate
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	Yes	Likely	Minor Only a small component of the project is focused on forestry, and this aspect is well regulated.	Moderate
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	Yes	Possible	Moderate The project will require consumption of raw materials, energy, and/or water. This will be a significant component of the project, but impacts can be appropriately managed.	Moderate
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	No			Low
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Yes	Likely	Minor The project only requires minimal amounts of fertilizer	Moderate
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	Yes	Likely	Minor The project only requires minimal amounts of pesticide.	Moderate
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	Yes	Likely	Major The project is sited in an area of previous serious pollution. Impacts from previous pollution can be managed with existing technology	Substantial
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Yes	Likely	Moderate Intensive/extensive livestock/aquaculture systems are in place, but these are only one component of the project.	Substantial
Cultural Heritage	Yes/No	Likelihood	Consequence	Risk Rating
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	No			Low

Environmental and Social Safeguards				
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	Yes	Unlikely	Negligible The project is not located in an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage	Low
3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?	Yes	Possible	Moderate Moderate impact on land. Some short-term earth moving and environmental changes required. Rehabilitation is straightforward.	Moderate
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Yes	Unlikely	Minor The project is thought to be close to an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. The site has been comprehensively surveyed, and all tangible and intangible cultural heritage is well known.	Low
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No			Low
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	Yes	Likely	Minor The project is located in an area that is considered to be of high cultural heritage value, but the project has no commercial value or interest.	Moderate
indigenous peoples	Yes/No	Likelihood	Consequence	Risk Rating
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	Yes	Almost certain	Minor The project is not sited in an area where indigenous people are present, but associated facilities may impact on indigenous people.	Moderate

Environmental and Social Safeguards				
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	Yes	Possible	Moderate The project is sited in an area that was previously used by indigenous people, and groups are mobilizing with the intention of making a claim.	Moderate
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	Yes	Possible	Moderate Moderate impact on indigenous population. Damage to/or temporary loss of access to indigenous land, assets, resources, and/or cultural heritage.	Moderate
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	Yes	Possible	Moderate The project would be more profitable if it had a commercial component, but this is not necessary.	Moderate
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	Yes	Possible	Moderate The project would be more profitable if it had a commercial component, but this is not necessary.	Moderate
Labour and Working Conditions	Yes/No	Likelihood	Consequence	Risk Rating
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)	Yes	Unlikely	Minor The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is now adequately nationally regulated, and is part of international value chains that are subject to regular environmental and social auditing.	Low
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	No			Low
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	Yes	Unlikely	Moderate The project does not operate in sectors or value chains where child labour was evident in the past. The status of forced labour regulation is currently unclear.	Moderate

Environmental and Social Safeguards				
translation missing: en.v1.secap_screening_tool.environmental_and_social.labour_and_working_conditions_4.text	Yes	Possible	Moderate The project operates in a sector, area, or value chain where workers are occasionally exposed to significant OSH risks, and where regulation is known to be weak or non-existent.	Moderate
Community Health, Safety and Security	Yes/No	Likelihood	Consequence	Risk Rating
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	Yes	Possible	Moderate The project is situated in an area where there is past evidence of negative impacts from water-borne or other vector-borne diseases, or communicable/non-communicable diseases, but where regulation or containment of these impacts has been shown to be effective.	Moderate
6.2 Could the project lead to unintended negative impacts on nutrition?	Yes	Unlikely	Minor Minor impact on customary or traditional diet, resulting in occasional individual health problems.	Low
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Yes	Possible	Major The project cannot proceed without access to significant infrastructure elements. Risk of failure would lead to loss of life or significant environmental damage. However, the structural integrity of the required infrastructure has been independently verified.	Substantial
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	No			Low

Environmental and Social Safeguards				
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	Yes	Possible	Minor The project has only minor involvement with the transport, storage, and use and/or disposal of hazardous or dangerous materials, and regulation of hazardous materials is effective.	Moderate
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	Yes	Possible	Minor The project will only have minor impacts on ecosystem services, and these can be mitigated through standard environmental management planning.	Moderate
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	Yes	Possible	Minor Minor changes to community dynamics. Resulting serious recorded cases of gender-based violence and/or sexual exploitation. Gender-based violence protocols in place.	Moderate
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	Yes	Possible	Minor The project will result in minor increases to traffic volume. Only minor increase in risk of injury or death.	Moderate
6.9 Could the project lead to an influx of project workers?	Yes	Possible	Minor The project requires the employment of new labour, but workers can be sourced from local communities, and so influx is kept to a minimum, and risks are effectively managed.	Moderate
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?	No			Low
Physical and economic resettlement	Yes/No	Likelihood	Consequence	Risk Rating
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	Yes	Likely	Major >20<100 households/businesses displaced.	Substantial

Environmental and Social Safeguards				
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	Yes	Possible	Moderate Loss of assets or resources is possible, but would be less than 10% of a community assets, or a farmer assets.	Moderate
7.3 Could the project present a risk of forced evictions?	No			Low
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	Yes	Likely	Moderate The project will result in moderate changes to land tenure arrangements and/or community-based property rights/customary rights. Legal recourse and other forms of arbitration/conflict resolution are available.	Substantial
Financial intermediaries and direct investments	Yes/No	Likelihood	Consequence	Risk Rating
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	No			Low
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	No			Low
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	No			Low
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No			Low
8.5 Is there evidence that the institution does not comply with the local legal framework?	No			Low
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	No			Low
8.7 Does the organization provide auxiliary or capacity building support services.	No			Low

Climate Risk Classification: Substantial

Step 1: Hazard identification	
What are the expected hazards in the project intervention area?	No, Yes, TBD
River flood	Yes
Costal Flood	Yes
Urban Flood	Yes
Landslide	Yes
Cyclone	Yes
Water Scarcity (agricultural droughts and/or dry spells)	Yes
Extreme Heat	Yes
Wildfires	Yes
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD
Change in temperature (increase or decrease)	Yes
Change in rainfall (increase or decrease)	No
Climate variability (larger or smaller)	Yes
Intensity and frequency of extreme events (larger or smaller)	Yes
Is the project expected to have an impact on climate change (i.e. contribute to greenhouse gas emissions)?	No, Yes, TBD
Is the project expected to be a significant emitter of greenhouse gases?	No
Step 2: Exposure Assessment	
Is the project located in exposed areas to weather-related natural hazards?	No, Yes, TBD
Low-lying areas (valleys, coastal zones, and small islands)	Yes
Very warm areas (subtropical)	Yes
Tropical areas (rainforests)	No
Arid and semi-arid areas (deserts)	No
Mountains zones and permafrost areas (tundra)	Yes
River banks	Yes
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?	No, Yes, TBD
Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	Yes
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	Yes
Is the biodiversity in the project area likely to be affected by changes in climate variables?	Yes
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	Yes
Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	Yes
Step 3: Sensitivity Assessment	
What are key sensitivities for the populations in the project's areas of intervention?	No, Yes, TBD
Is conflict exacerbating the population's sensitivity to weather related hazards?	No
Is population displacement being exacerbated by climate change impacts?	Yes

Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	No
Is the income of the target population predominately coming from agriculture?	Yes
Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?	Yes
Is the Human Development Index (HDI) equal to or below 0.6?	No
Is the Multidimensional Poverty Index (MPI) equal to or above 0.1?	No
Step 4: Adaptive capacity and climate resilience	
What are key adaptive capacities in the areas of project intervention?	No, Yes, TBD
Is the country well ranked in the Disaster risk reduction progress score?	Yes
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?	No
Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	Yes
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events?	No
Is the target community carrying out (using their own means) agricultural adaptation?	Yes
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	No
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	Yes
Are rural infrastructures effectively delivering services to farmers and rural dwellers?	No

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 30 October - 17 November 2023

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Asia and the Pacific Division
Programme Management Department

First Annual Work Plan and Budget for the period January 2025 to December 2025
(US\$)

Activity no.	Activity per component and sub-component	Implementing agency	Unit	Quantity FY 2025				Total quantity FY 2025	Unit cost	Total FY 2025	IFAD loan		AF grant		Financing gap		Beneficiaries		Provincial Counterpart	
				Q1	Q2	Q3	Q4				Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
C1	Component 1. Improved water availability and control through climate-resilient infrastructure development																			
C1.1	Sub-component 1.1. Improved access to and efficiency of irrigation for smallholders																			
C1.1.1	Feasibility studies and Detailed Designs																			
C1.1.1.1a	Feasibility studies, counterpart financed	SP	Lumpsum	0.5	-	-	-	0.5	186 995	93 498	-	0%	-	0%	-	0%	-	0%	93 498	100%
C1.1.1.2a	Including WRII models, counterpart financed	PMU	Lumpsum	-	-	0.5	-	0.5	435 500	217 750	-	0%	-	0%	-	0%	-	0%	217 750	100%
	Subtotal of Feasibility Studies and Detailed Designs									311 248	-		-		-		-		311 248	
	Subtotal of Sub-component 1.1									311 248	-		-		-		-		311 248	
C1.2	Sub-component 1.2. Improved flood control and livelihoods protection																			
C1.2.1	Technical and capacity preparation																			
C1.2.1.1a	Feasibility study, counterpart financed	SP	Lumpsum	0.5	-	-	-	0.5	209 279	104 640	-	0%	-	0%	-	0%	-	0%	104 640	100%
C1.2.1.2a	Detailed design, counterpart financed	SP	Lumpsum	-	-	0.5	-	0.5	523 198	261 599	-	0%	-	0%	-	0%	-	0%	261 599	100%
	Subtotal of Technical and capacity preparation									366 239	-		-		-		-		366 239	
	Subtotal of Sub-component 1.2									366 239	-		-		-		-		366 239	
	Total of Component 1									677 486	-		-		-		-		677 486	
C2	Component 2. Integrated water management and climate resilient																			
C2.1	Sub-component 2.1. Improved capacity and coordination for integrated water management																			
C2.1.1	Update district Climate Information and Early Warning Systems																			
C2.1.1.1	Development of hazard risk maps (drought, flood, saline intrusion)																			
C2.1.1.1.1	TA to develop interactive hazard risk maps	IMHEN	Lumpsum	-	-	0.5	0.5	1.0	20 000	20 000	-	0%	20 000	100%	-	0%	-	0%	-	0%
	Subtotal of Development of hazard risk maps									20 000	-		20 000		-		-		-	
	Subtotal of Update district Climate Information and Early Warning Systems									20 000	-		20 000		-		-		-	
C2.1.2	Improve local and institutional capacity and coordination mechanism in integrated water management																			
C2.1.2.1	Technical studies and mapping of actors in water management along the Len, Cung, Lach Truong rivers	SP	Package	-	3.0	-	-	3.0	12 924	38 772	-	0%	-	0%	-	0%	-	0%	38 772	100%
C2.1.2.2	Establishment of a Task Force	SP	Lumpsum	-	-	1.0	-	1.0	4 308	4 308	-	0%	-	0%	-	0%	-	0%	4 308	100%
C2.1.2.3	Operational plan for an inclusive institutional coordination mechanism	SP	Lumpsum	-	-	1.0	-	1.0	4 308	4 308	-	0%	-	0%	-	0%	-	0%	4 308	100%
C2.1.2.4	Facilitation of dialogues	PMU	Meeting	-	-	5.0	5.0	10.0	1 292	12 920	-	0%	12 920	100%	-	0%	-	0%	-	0%
	Subtotal of Improve local and institutional capacity and coordination mechanism in integrated water management									60 308	-		12 920		-		-		47 388	
C2.1.3	Improve capacity of water users for inclusive irrigation management																			
C2.1.3.1	Capacity building of water users on O&M	SP	Training	-	1.0	2.0	2.0	5.0	300	1 500	-	0%	-	0%	-	0%	-	0%	1 500	100%
C2.1.3.2	Development of rules and regulation on water use	PMU	Set	-	1.0	2.0	2.0	5.0	86	430	-	0%	-	0%	-	0%	-	0%	430	100%
C2.1.3.3	Facilitation of dialogues	PMU	Meeting	-	-	5.0	5.0	10.0	215	2 150	-	0%	-	0%	-	0%	-	0%	2 150	100%
C2.1.3.5	Gender mainstreaming and youth empowerment for increased climate adaptive capacity																			
C2.1.3.5.1	Province specific gender social norms assessment	SP	Lumpsum	1.0	-	-	-	1.0	15 000	15 000	-	0%	15 000	100%	-	0%	-	0%	-	0%
C2.1.3.5.2	Gender equality and social inclusion training for project implementers	SP	Workshop	-	1.0	-	-	1.0	10 000	10 000	-	0%	10 000	100%	-	0%	-	0%	-	0%
	Subtotal of Gender mainstreaming and youth empowerment for increased climate adaptive capacity									25 000	-		25 000		-		-		-	
	Subtotal of Improve capacity of water users for inclusive irrigation management									29 080	-		25 000		-		-		4 080	
	Subtotal of Sub-component 2.1									109 388	-		57 920		-		-		51 468	
C2.2	Sub-component 2.2. Strengthened resilience of smallholders' agricultural businesses																			
C2.2.1	Upscale Climate-Smart Agriculture knowledge to improve smallholder farmers' productivity and resilience																			
C2.2.1.1	Mapping and assessment of existing agricultural models in the target districts																			
C2.2.1.1.1	Conduct a mapping and assessment of agricultural models in the target districts, assess their feasibility and identify relevant stakeholders	SP	Lumpsum	0.5	0.5	-	-	1.0	20 000	20 000	-	0%	20 000	100%	-	0%	-	0%	-	0%

C3.2.3.2.5	Chief accountant	PMU	Month	3.0	3.0	3.0	3.0	12.0	209	2 508	-	0%	502	20%	502	20%	-	0%	1 505	60%
C3.2.3.2.6	Accountants	PMU	Month	6.0	6.0	6.0	6.0	24.0	152	3 648	-	0%	365	10%	365	10%	-	0%	2 918	80%
C3.2.3.2.7	Cashier	PMU	Month	3.0	3.0	3.0	3.0	12.0	142	1 704	-	0%	170	10%	170	10%	-	0%	1 363	80%
C3.2.3.2.9	Infrastructure Officers	PMU	Month	9.0	9.0	9.0	9.0	36.0	171	6 156	-	0%	-	0%	-	0%	-	0%	6 156	100%
C3.2.3.2.14	Procurement Officers	PMU	Month	6.0	6.0	6.0	6.0	24.0	190	4 560	-	0%	-	0%	-	0%	-	0%	4 560	100%
C3.2.3.2.15	Interpreter	PMU	Month	3.0	3.0	3.0	3.0	12.0	227	2 724	-	0%	2 724	100%	-	0%	-	0%	-	0%
	<i>Subtotal of Social contributions</i>									32 568	-		5 309		2 585		-		24 674	
C3.2.3.3	<i>Contributions to project management from existing government officers</i>	Gov	Month	30.0	30.0	30.0	30.0	120.0	775	93 000	-	0%	-	0%	-	0%	-	0%	93 000	100%
	<i>Subtotal of Salary and allowance</i>									271 548	-		27 593		14 321		-		229 634	
C3.2.4	Utilities and fuel																			
C3.2.4.1	<i>Utilities</i>	PMU	Lumpsum per month	3.0	3.0	3.0	3.0	12.0	431	5 172	-	0%	-	0%	-	0%	-	0%	5 172	100%
C3.2.4.2	<i>Fuel</i>	PMU	Lumpsum per month	3.0	3.0	3.0	3.0	12.0	1 292	15 504	-	0%	-	0%	-	0%	-	0%	15 504	100%
C3.2.4.3	<i>Others</i>	PMU	Lumpsum per month	0.3	0.3	0.3	0.3	1.0	2 154	2 154	-	0%	-	0%	-	0%	-	0%	2 154	100%
	<i>Subtotal of Utilities and fuel</i>									22 830	-		-		-		-		22 830	
C3.2.5	Communications	PMU	Lumpsum per month	3.0	3.0	3.0	3.0	12.0	646	7 752	-	0%	-	0%	-	0%	-	0%	7 752	100%
C3.2.6	Meetings	PMU	Lumpsum	0.3	0.3	0.3	0.3	1.0	1 077	1 077	-	0%	-	0%	-	0%	-	0%	1 077	100%
C3.2.7	Travel	PMU	Lumpsum	0.3	0.3	0.3	0.3	1.0	17 232	17 232	-	0%	-	0%	-	0%	-	0%	17 232	100%
C3.2.8	Rental cost	PMU	Lumpsum	0.3	0.3	0.3	0.3	1.0	4 308	4 308	-	0%	-	0%	-	0%	-	0%	4 308	100%
C3.2.9	Asset maintenance																			
C3.2.9.1	<i>Car maintenance</i>	PMU	Lumpsum per year	0.8	0.8	0.8	0.8	3.0	1 292	3 876	-	0%	-	0%	-	0%	-	0%	3 876	100%
C3.2.9.2	<i>Others</i>	PMU	Lumpsum per year	0.3	0.3	0.3	0.3	1.0	4 308	4 308	-	0%	-	0%	-	0%	-	0%	4 308	100%
	<i>Subtotal of Asset maintenance</i>									8 184	-		-		-		-		8 184	
	<i>Subtotal of Sub-component 3.2</i>									201 879	-		-		-		-		201 879	
	<i>Total of Component 3</i>									377 940	-		131 414		21 149		-		225 377	
	<i>Total for CRWIS project</i>									1 336 248	-		360 768		21 149		-		954 331	

C3.2.5	Communications	PMU	Lumpsum per month	3.0	3.0	3.0	3.0	12.0	1 292	15 504	-	0%	-	0%	-	0%	-	0%	15 504	100%
C3.2.6	Meetings	PMU	Lumpsum	0.3	0.3	0.3	0.3	1.0	1 723	1 723	-	0%	-	0%	-	0%	-	0%	1 723	100%
C3.2.7	Travel	PMU	Lumpsum	0.3	0.3	0.3	0.3	1.0	17 232	17 232	-	0%	-	0%	-	0%	-	0%	17 232	100%
C3.2.8	Rental cost	PMU	Lumpsum	0.3	0.3	0.3	0.3	1.0	4 308	4 308	-	0%	-	0%	-	0%	-	0%	4 308	100%
C3.2.9	Asset maintenance																			
C3.2.9.1	Car maintenance	PMU	Lumpsum per year	0.8	0.8	0.8	0.8	3.0	1 292	3 876	-	0%	-	0%	-	0%	-	0%	3 876	100%
C3.2.9.2	Others	PMU	Lumpsum per year	0.3	0.3	0.3	0.3	1.0	6 462	6 462	-	0%	-	0%	-	0%	-	0%	6 462	100%
	Subtotal of Asset maintenance									10 338	-		-		-		-		10 338	
	Subtotal of Sub-component 3.2									249 048	-		-		-		-		249 048	
	Total of Component 3									438 593	-		111 475		26 198		-		300 919	
	Total for CRWIS project									1 627 517	-		410 065		26 198		-		1 191 253	

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Procurement Plan SUMMARY				
Country:	Viet Nam			
Project Name:	Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An (CRWIS) - Thanh Hoa Province			
Project ID:				
Version	1.0			
Version Date	09-Feb-24			
Procurement Category	Plan		Actual	
Currency	USD	LCU	USD	LCU
Goods	7 500.00	-	-	-
Works	6 721 834.00	-	-	-
Consulting Services	2 988 167.00	-	-	-
Non-Consulting Services	-	-	-	-
Grants	-	-	-	-
TOTAL	9 717 501.00	-	-	-

The threshold tables below are based on the PAL.
Please fill in the fields that are applicable based on the provisions in the PAL for the project.

Prior Review Thresholds					
Category	Goods and goods-related Non-Consulting Services	Works and works-related Non-Consulting Services	Consulting Services and related Non-Consulting Services and/or MoU/Agreements	Individual Consultants	Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD:
Threshold	>= US\$ 200,000.00	>= US\$ 500,000.00	>= US\$ 150,000.00	>= US\$ 40,00.00	Only for procurement activities subject to prior review

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook), or based on the thresholds stipulated in the LTB

The exchange rate at time of submission will be used for reviews.

Procurement Method Thresholds						
	CQS	QBS/LCS/FBS	QCBS	Shortlisting	SSS - Firms	SSS - Individuals
Consulting Services and related Non-Consulting Services	<= US\$ 250,000.00	< US\$ 1,000,000.00	>= US\$ 1,000,000.00	>= US\$ 250,000.00	<= US\$ 5,000.00 (subject to prior review. Justification required if above threshold)	<= US\$ 5,000.00 (or with a contract duration of 3 months or less; subject to prior review)
	Direct Contracting	Shopping	NCB	ICB	Other Procurement Methods or Arrangements	
Goods and goods-related Non-Consulting Services	>= US\$ 5,000.00 (subject to prior review. Justification required if above threshold)	<= US\$ 45,000.00	< US\$ 2,000,000.00	>= US\$ 2,000,000.00	Force Account	Not Allowed
Works and works-related Non-Consulting Services	>= US\$ 5,000.00 (subject to prior review. Justification required if above threshold)	<= US\$ 45,000.00	< US\$ 5,000,000.00	>= US\$ 5,000,000.00	Community Participation	Allowed

Procurement Plan - Goods

Viet Nam

Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An (CRWIS) - Thanh Hoa Province

Project ID:

#REF1

#REF1

	USD	LCU	
Total Amount	7 500.00	0.00	Plan
	0.00	0.00	Actual
Non-Consulting:	0.00	0.00	Plan
	0.00	0.00	Actual

Version		1.0		9-Feb-24		Basic Data										Pre-Qualification						Bidding Process			
ANWB/Component Ref	No	Description	Non Consulting	Funding	Lot No/Description	Project Area or Procuring Entity	Plan vs. Actual	Pre- or Post Qualification	Prior or Post Review	Procurement Method	Envelopes	Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	
C3.1.4.1	1	KM products		AF		Thanh Hoa #141	Plan	Post-Qual	Post Review	NS	1	7 500.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25	N/A	2-Jun-25	16-Jun-25	
							Actual					-	-	Actual											
							Plan							Plan											
							Actual					-	-	Actual											
							Plan							Plan											
							Actual					-	-	Actual											
							Plan							Plan											
							Actual					-	-	Actual											
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							Plan							Plan											
							Actual					-	-	Actual											

Procurement Plan - Goods
 Viet Nam
 Climate Resilient and Inclusive Water Infrastructure I

Project ID:

#REF!

#REF!

Procurement Methods
 NS: National Shopping
 IS: International Shopping
 NCB: National Competitive Bidding
 ICB: International Competitive Bidding
 LIB: Limited (International) Bidding

Version			Bid Evaluation				Contract Award & Signature											
AWPB/Component Ref	No	Description	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOIT&Standstill	Date Contract Award	Submission of Draft Contract	No-objection Date	Date Contract Signature	Contract No.	Vendor Name/ID	Amount (USD)	Amount (LCU)	Date Contract Completion	Remarks
C3.1.4.1	1	KM products	N/A	N/A	23-Jun-25	N/A	Plan	N/A	29-Jun-25	4-Jul-25	N/A	8-Jul-25			7 500.00	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											
							Plan								-	-		
							Actual											

Procurement Plan - WORKS

Viet Nam

Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An (CRWIS) - Thanh Hoa Province

Project ID:

#REF!

#REF!

	USD	LCU	
Total Amount	6 721 834.00	0.00	Plan
	0.00	0.00	Actual
Non-consulting:	0.00	0.00	Plan
	0.00	0.00	Actual

Version		1.0	9-Feb-24	Basic Data										Pre-Qualification						
AWPB/Component Ref	№	Description	Non Consulting	Funding	Lot №/Description	Project Area or Procuring Entity	Plan vs. Actual	Pre- or Post Qualification	Prior or Post Review	Procurement Method	Envelopes	Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date
C1.1.2.1	1	Pumping stations and water delivery canal network upgraded		IFAD/GOV		Thanh Hoa PMU	Plan	Post-Qual	Prior Review	NCB	2	3 233 849.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A
							Actual								Actual					
C1.2.2	2	Construction of dikes, connectivity infrastructure and flood control		IFAD/GOV		Thanh Hoa PMU	Plan	Post-Qual	Prior Review	NCB	2	3 487 985.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A
							Actual								Actual					
							Plan							Plan						
							Actual							Actual						
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Procurement Plan - WORKS

Viet Nam

Climate Resilient and Inclusive Water Infrastructure

Project ID:

#REF!

#REF!

Procurement Methods
 NS: National Shopping
 IS: International Shopping
 NCB: National Competitive Bidding
 ICB: International Competitive Bidding
 LIB: Limited (International) Bidding

Version		1.0		9-Feb-24		Bidding Process				Bid Evaluation				Contract Award					
AWPB/Component Ref	№	Description	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Submission of Draft Contract	No-objection Date	Date Contract Signature			
C1.1.2.1	1	Pumping stations and water delivery canal network upgraded	1-Jan-26	8-Jan-26	10-Jan-26	9-Feb-26	12-Feb-26	19-Feb-26	5-Mar-26	12-Mar-26	Plan	15-Mar-26	30-Mar-26	4-Apr-26	11-Apr-26	15-Apr-26			
												Actual							
C1.2.2	2	Construction of dikes, connectivity infrastructure and flood control	1-Jan-26	8-Jan-26	10-Jan-26	9-Feb-26	12-Feb-26	19-Feb-26	5-Mar-26	12-Mar-26	Plan	15-Mar-26	30-Mar-26	4-Apr-26	11-Apr-26	15-Apr-26			
												Actual							
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Version: 1.0	9-Feb-24	Procurement					Funding										Contract Award & Signature																									
Reporting number	No.	Description	Grant	Role Consulting	Funding	Project Award Procuring Entity	Plan vs. Actual	Disbursed (Yes/No)	File or Post Review	Procurement Method	Amount (USD)	Amount (\$ CD)	Plan vs. Actual	Submission of RFP	Bid Opening Date	RFP Closure Date	EIS Submission Deadline	Submission of Offer/Bid Report	Bid Opening Date	Submission of SPV/ECG	SPV/ECG Date	SPV/ECG Launch Date	Prequal Submission Deadline	Submission of TIR	Bid-Opening Date	Submission of CR	Bid-Opening Date	Plan vs. Actual	Inverif REC/FAC Standard	Deal Contract Award	Regulations compliance	Submission of Draft Contract	Bid-Opening Date	Deal Contract Signature	Contract No.	Vendor Name/ID	Amount (USD)	Amount (CD)	Deal Contract Completion	Remarks		
							Actual					Actual															Plan															
		Contract UoP																																								
2.3.3.2	27	Training for relevant stakeholders on P4SP		AI		Thom-Hua PMU	Plan	Yes	Post Review	QCBS	360 000.00		Plan	10-Jan-25	22-Jan-26	24-Jan-26	7-Feb-26	21-Feb-26	28-Feb-26	1-Jan-25	8-Jan-25	10-Jan-25	25-Jul-25	8-Aug-25	10-Aug-25	29-Aug-25	5-Sep-25	Plan	N/A	8-Sep-25	25-Sep-25	8-Oct-25	13-Oct-25	20-Oct-25	24-Oct-25			360 000.00				
						Thom-Hua PMU	Actual						Actual														Plan															
2.3.1.6	38	RuB		BAD/CCV		Thom-Hua PMU	Plan	Yes	Post Review	FBS	90 000.00		Plan	Enter Date	N/A					N/A	1-Jul-25	N/A	3-Jul-25	17-Aug-25	21-Aug-25	N/A	14-Sep-25	N/A	Plan	N/A	17-Sep-25	2-Oct-25	17-Oct-25	22-Oct-25	N/A	26-Oct-25			90 000.00			
						Thom-Hua PMU	Actual						Actual														Plan															
2.3.3.14	39	Foodbord and Value Chain Coordinator		CCV		Thom-Hua PMU	Plan	Yes	Post Review	ICS	13 160.00		Plan	3-Jan-26	N/A	3-Jan-26	24-Jan-26	7-Feb-26	N/A	11-Feb-26	N/A	13-Feb-26	8-Mar-26	N/A	N/A	20-Mar-26	N/A	Plan	N/A	20-Mar-26	9-Apr-26	14-Apr-26	N/A	18-Apr-26			13 160.00					
						Thom-Hua PMU	Actual						Actual														Plan															
2.3.3.10	40	Foodbord and Value Chain Officers		CCV		Thom-Hua PMU	Plan	Yes	Post Review	ICS	21 600.00		Plan	3-Jan-26	N/A	3-Jan-26	24-Jan-26	7-Feb-26	N/A	11-Feb-26	N/A	13-Feb-26	8-Mar-26	N/A	N/A	20-Mar-26	N/A	Plan	N/A	20-Mar-26	9-Apr-26	14-Apr-26	N/A	18-Apr-26			21 600.00					
						Thom-Hua PMU	Actual						Actual														Plan															
2.3.3.11	41	Environmental and Climate Officer		CCV		Thom-Hua PMU	Plan	Yes	Post Review	ICS	5 275.00		Plan	3-Mar-26	N/A	3-Mar-26	24-Mar-26	7-Apr-26	N/A	11-Apr-26	N/A	13-Apr-26	8-May-26	N/A	N/A	18-May-26	N/A	Plan	N/A	24-May-26	7-Jun-26	12-Jun-26	N/A	16-Jun-26			5 275.00					
						Thom-Hua PMU	Actual						Actual														Plan															
2.3.3.13	42	Recruitment of a Gender and Social officer		CCV		Thom-Hua PMU	Plan	Yes	Post Review	ICS	5 275.00		Plan	3-Mar-26	N/A	3-Mar-26	24-Mar-26	7-Apr-26	N/A	11-Apr-26	N/A	13-Apr-26	8-May-26	N/A	N/A	18-May-26	N/A	Plan	N/A	24-May-26	7-Jun-26	12-Jun-26	N/A	16-Jun-26			5 275.00					
						Thom-Hua PMU	Actual						Actual														Plan															
2.3.3.10	43	Recruitment of an Integrator		CCV		Thom-Hua PMU	Plan	Yes	Post Review	ICS	26 678.00		Plan	16-Jan-25	N/A	17-Jan-25	7-Feb-25	21-Feb-25	N/A	28-Feb-25	N/A	27-Feb-25	22-Mar-25	N/A	N/A	9-Apr-25	N/A	Plan	N/A	9-Apr-25	23-Apr-25	28-Apr-25	N/A	7-May-25			26 678.00					
						Thom-Hua PMU	Actual						Actual														Plan															

Day Ranges *These tables provide estimated timelines by procurement methods, based on experience and guidance in the Procurement Handbook where specified.*

The approximate number of days are used in the default Procurement Plan Formulas. Timelines in the Approx fields/Formulas are not prescriptive, and may be modified by the project.

Approx figures entered will be highlighted/flagged, if below the Minimum number of days. Zero indicates steps that are not applicable to the method, and are indicated as N/A in the Formulas.

Goods & Works

Procurement Method	Submission of PreQual docs			No Objection Date			PreQual Invitation Date			PreQual Closing Date			Submission of PreQual Report			No Objection Date			Submission of BD			No-objection Date			Min
	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	
Single Envelope																									
RFQ/Shopping (NS/IS)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3	N/A-Start Date	7	10	7	1
NCB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1
ICB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1
LIB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1
NCB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1
ICB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1
LIB (with PreQual)	1	4	N/A-Start Date	5	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1
Direct Contracting/ Force Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3	N/A-Start Date	7	10	7	1
Two Envelope																									
NCB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1
ICB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1
LIB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1
NCB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1
ICB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1
LIB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1

Services

Selection Method	Submission of REOI			No Objection Date			REOI Launch Date			EOI Submission Deadline			Submission of Shortlist Report			No Objection Date			Submission of RFP/RCQ			No-objection Date			Min
	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	
QCBS (w/Shortlist)	1	4	N/A- Start Date	7	10	7	1	3	2	14	30	14	14	21	14	7	10	7	1	7	4	7	10	7	1
FBS (w/Shortlist)	1	4	N/A- Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	7	4	7	10	7	1
LCS (w/Shortlist)	1	4	N/A- Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	7	4	7	10	7	1
QBS (w/Shortlist)	1	4	N/A- Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	7	4	7	10	7	1
CQS (w/Shortlist)	1	4	N/A- Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	5	4	7	10	7	1
ICS (w/Shortlist)	1	4	N/A- Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	5	4	7	10	7	1
QCBS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A- Start Date	7	10	7	1
FBS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	5	N/A- Start Date	7	10	7	1
LCS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A- Start Date	7	10	7	1
QBS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A- Start Date	7	10	7	1
SSS/ Selection (Design/PIM)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A- Start Date	7	10	7	1

NOTE

1. Some procurement methods for low-value processes might require No Objections based on the Prior Review Thresholds. Where they do not require, No Objection number of days should be zero.
2. RFP: Request for Proposals: standard procurement document used for Services.
3. RCQ: Requests for Consultants Qualifications: Procurement document used for CQS and LCS. The RFP is used for all other procurement methods
4. Consulting services and Good/Works methods could either be used for Non-Consulting Services
5. All days are calendar days

Day Ranges

Goods & Works

Procurement Method	Bid Invitation Date		Bid Closing-Opening			Submission Tech Eval Rpt			No-objection Date			Submission Combined Eval Rpt/Bid Evaluation Report			No-objection Date			Issue of NOITA & Standstill			Date Contract Award			Submi
	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min
Single Envelope																								
RFQ/Shopping (NS/IS)	3	1	5	21	14	0	0	0	0	0	0	1	7	7	7	10	7	0	0	0	4	-	6	3
NCB (no PreQual)	3	2	30	45	30	0	0	0	0	0	0	3	21	14	7	10	7	1	3	3	14	-	15	3
ICB (no PreQual)	3	2	45	70	45	0	0	0	0	0	0	3	21	21	7	10	7	1	3	3	14	-	15	3
LIB (no PreQual)	3	2	45	70	45	0	0	0	0	0	0	3	21	21	7	10	7	1	3	3	14	-	15	3
NCB (with PreQual)	3	2	30	45	30	0	0	0	0	0	0	7	21	14	7	10	7	1	3	3	14	-	15	3
ICB (with PreQual)	3	2	45	70	45	0	0	0	0	0	0	7	21	21	7	10	7	1	3	3	14	-	15	3
LIB (with PreQual)	3	2	45	70	45	0	0	0	0	0	0	7	21	21	7	10	7	1	3	3	14	-	15	3
Direct Contracting/Force Account	3	1	7	30	14	0	0	0	0	0	0	3	21	7	7	10	7	0	0	0	4	-	6	3
Two Envelope																								
NCB (no PreQual)	3	2	30	45	30	3	21	3	7	10	7	3	14	14	7	10	7	1	3	3	14	-	15	3
ICB (no PreQual)	3	2	45	70	45	3	21	21	7	10	7	3	14	14	7	10	7	1	3	3	14	-	15	3
LIB (no PreQual)	3	2	45	70	45	3	21	21	7	10	7	3	14	14	7	10	7	1	3	3	14	-	15	3
NCB (with PreQual)	3	2	30	45	30	7	21	14	7	10	7	3	14	14	7	10	7	1	3	3	14	-	15	3
ICB (with PreQual)	2	2	45	70	45	7	21	21	7	10	7	3	14	14	7	10	7	1	3	3	14	-	15	3
LIB (with PreQual)	2	2	45	70	45	7	21	21	7	10	7	3	14	14	7	10	7	1	3	3	14	-	15	3

Services

Selection Method	P/RCQ Launch Date		Proposal submission deadline			Submission of TER			No-objection Date			Submission of CER			No-objection Date			Issue of NOITA & Standstill			Date Contract Award			Neg
	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min
QCBS (w/Shortlist)	3	2	45	60	45	14	21	14	7	10	7	7	14	14	7	10	7	1	3	3	14	-	15	10
FBS (w/Shortlist)	3	2	45	60	45	14	21	14	7	10	7	7	14	14	7	10	7	1	3	3	14	-	15	10
LCS (w/Shortlist)	3	2	45	60	45	14	21	14	7	10	7	7	14	14	7	10	7	1	3	3	14	-	15	10
QBS (w/Shortlist)	3	2	21	60	45	14	21	14	7	10	7	0	0	0	0	0	0	1	3	3	14	-	15	10
CQS (w/Shortlist)	3	2	14	30	21	0	0	0	0	0	0	14	21	14	7	10	7	0	0	0	4	-	6	7
ICS (w/Shortlist)	3	2	14	30	21	0	0	0	0	0	0	14	21	14	7	10	7	0	0	0	4	-	6	7
QCBS (noShortlist)	3	2	45	60	45	14	21	14	7	10	7	7	14	14	7	10	7	1	3	3	14	-	15	10
FBS (noShortlist)	3	2	14	30	21	7	21	14	7	10	7	7	14	14	7	10	7	1	3	3	14	-	15	10
LCS (noShortlist)	3	2	21	30	25	7	21	14	7	10	7	7	14	14	7	10	7	1	3	3	14	-	15	10
QBS (noShortlist)	3	2	21	60	45	14	21	14	7	10	7	0	0	0	0	0	0	1	3	3	14	-	15	10
SSS/Selection (Design/PIM)	3	2	7	30	30	0	0	0	0	0	0	7	21	14	7	10	7	0	0	0	4	-	6	7

Day Ranges

Goods & Works

Procurement Method	Submission of Draft Contract		No-objection Date			Date Contract Signature			Totals			
	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Approx Months/Days
Single Envelope												
RFQ/Shopping (NS/IS)	7	5	7	10	7	4	7	4	40	78	58	1m 27d
NCB (no PreQual)	7	5	7	10	7	4	7	4	78	123	94	3m 3d
ICB (no PreQual)	7	5	7	10	7	4	7	4	93	148	116	3m 25d
LIB (no PreQual)	7	5	7	10	7	4	7	4	93	148	116	3m 25d
NCB (with PreQual)	7	5	7	10	7	4	7	4	126	208	164	5m 12d
ICB (with PreQual)	7	5	7	10	7	4	7	4	141	233	186	6m 4d
LIB (with PreQual)	7	5	7	10	7	4	7	4	139	233	186	6m 4d
Direct Contracting/ Force Account	7	5	7	10	7	4	7	4	44	101	58	1m 27d
Two Envelope												
NCB (no PreQual)	7	5	7	10	7	4	7	4	88	147	104	3m 13d
ICB (no PreQual)	7	5	7	10	7	4	7	4	103	172	137	4m 16d
LIB (no PreQual)	7	5	7	10	7	4	7	4	103	172	137	4m 16d
NCB (with PreQual)	7	5	7	10	7	4	7	4	136	232	185	6m 3d
ICB (with PreQual)	7	5	7	10	7	4	7	4	151	256	207	6m 25d
LIB (with PreQual)	7	5	7	10	7	4	7	4	151	256	207	6m 25d

Services

Selection Method	Bids/Proposals completed		Submission of Draft Contract and MoN Date			No-objection Date			Date Contract Signature			Totals			
	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Approx Months/Days
QCBS (w/Shortlist)	28	15	3	7	5	7	10	7	4	7	4	172	268	193	6m 11d
FBS (w/Shortlist)	28	15	3	7	5	7	10	7	4	7	4	172	268	200	6m 18d
LCS (w/Shortlist)	28	15	3	7	5	7	10	7	4	7	4	172	268	200	6m 18d
QBS (w/Shortlist)	28	15	3	7	5	7	10	7	4	7	4	134	244	179	5m 27d
CQS (w/Shortlist)	14	14	3	7	5	7	10	7	4	7	4	113	195	142	4m 21d
ICS (w/Shortlist)	14	14	3	7	5	7	10	7	4	7	4	113	195	142	4m 21d
QCBS (noShortlist)	28	15	3	7	5	7	10	7	4	7	4	128	190	145	4m 24d
FBS (noShortlist)	28	15	3	7	5	7	10	7	4	7	4	90	158	121	3m 30d
LCS (noShortlist)	28	15	3	7	5	7	10	7	4	7	4	97	160	125	4m 4d
QBS (noShortlist)	28	15	3	7	5	7	10	7	4	7	4	90	166	124	4m 3d
SSS/ Selection (Design/PIM)	21	21	3	7	5	7	10	7	4	7	4	55	126	103	3m 12d

Procurement Plan SUMMARY				
Country:	Viet Nam			
Project Name:	Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An (CRWIS) - Nghe An Province			
Project ID:				
Version	1.0			
Version Date	09-Feb-24			
Procurement Category	Plan		Actual	
Currency	USD	LCU	USD	LCU
Goods	7 500.00	-	-	-
Works	1 451 939.00	-	-	-
Consulting Services	3 756 014.33	-	-	-
Non-Consulting Services	-	-	-	-
Grants	-	-	-	-
TOTAL	5 215 453.33	-	-	-

The threshold tables below are based on the PAL.
Please fill in the fields that are applicable based on the provisions in the PAL for the project.

Prior Review Thresholds					
Category	Goods and goods-related Non-Consulting Services	Works and works-related Non-Consulting Services	Consulting Services and related Non-Consulting Services and/or MoU/Agreements	Individual Consultants	Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD:
Threshold	>= US\$ 200,000.00	>= US\$ 500,000.00	>= US\$ 150,000.00	>= US\$ 40,00.00	Only for procurement activities subject to prior review

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook), or based on the thresholds stipulated in the PAL

The exchange rate at time of submission will be used for reviews.

Procurement Method Thresholds						
	CQS	QBS/LCS/FBS	QCBS	Shortlisting	SSS - Firms	SSS - Individuals
Consulting Services and related Non-Consulting Services	<= US\$ 250,000.00	< US\$ 1,000,000.00	>= US\$ 1,000,000.00	>= US\$ 250,000.00	<= US\$ 5,000.00 (subject to prior review. Justification required if above threshold)	<= US\$ 5,000.00 (or with a contract duration of 3 months or less; subject to prior review)
	Direct Contracting	Shopping	NCB	ICB	Other Procurement Methods or Arrangements	
Goods and goods-related Non-Consulting Services	>= US\$ 5,000.00 (subject to prior review. Justification required if above threshold)	<= US\$ 45,000.00	< US\$ 2,000,000.00	>= US\$ 2,000,000.00	Force Account	Not Allowed
Works and works-related Non-Consulting Services	>= US\$ 5,000.00 (subject to prior review. Justification required if above threshold)	<= US\$ 45,000.00	< US\$ 5,000,000.00	>= US\$ 5,000,000.00	Community Participation	Allowed

C2.2.1.1	16	support the process				AF		Actual				-	-	Actual							
C2.2.1.7.1	17	Community sensitization on GEWE				AF	Nghe An PMU	Plan	No	Post Review	LCS	25 000.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25
								Actual				-	-	Actual							
C2.2.2.1.1	18	Value chain, market and climate studies				AF	Nghe An PMU	Plan	No	Post Review	LCS	103 390.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25
								Actual				-	-	Actual							
C2.2.2.1.2	19	Technical assistance and Capacity building for value chain action planning				AF	Nghe An PMU	Plan	No	Post Review	LCS	25 848.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25
								Actual				-	-	Actual							
C2.2.2.1.3	20	Value chain action planning (VCAP) process				AF	Nghe An PMU	Plan	No	Post Review	LCS	108 560.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25
								Actual				-	-	Actual							
C2.2.2.1.4	21	Business development services (BDS) coaching				AF	Nghe An PMU	Plan	No	Post Review	LCS	34 463.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25
								Actual				-	-	Actual							
C2.2.2.1.5	22	Facilitation of 4P platforms				AF	Nghe An PMU	Plan	No	Post Review	LCS	101 667.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Jun-25
								Actual				-	-	Actual							
C2.2.2.1.6	23	Facilitation of market linkages / matching events				AF	Nghe An PMU	Plan	Yes	Post Review	ICS	18 955.00		Plan	1-Jun-25	N/A	3-Jun-25	24-Jun-25	8-Jul-25	N/A	12-Jul-25
								Actual				-	-	Actual							
C3.1.1.1	24	Baseline survey, mid-term survey, and endline survey				IFAD/GOV	Nghe An PMU	Plan	No	Post Review	LCS	75 000.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	15-Jan-25
								Actual				-	-	Actual							
C3.1.1.5	25	MIS set up				AF	Nghe An PMU	Plan	Yes	Post Review	ICS	5 000.00		Plan	1-Mar-25	N/A	3-Mar-25	24-Mar-25	7-Apr-25	N/A	11-Apr-25
								Actual				-	-	Actual							
C3.1.1.6	26	Thematic studies for SECAP				AF	Nghe An PMU	Plan	No	Prior Review	FBS	142 162.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Mar-25
								Actual				-	-	Actual							
C3.1.2.1	27	TA for Knowledge Management				AF	Nghe An PMU	Plan	Yes	Post Review	ICS	5 000.00		Plan	1-Jun-25	N/A	3-Jun-25	24-Jun-25	8-Jul-25	N/A	12-Jul-25
								Actual				-	-	Actual							
C3.1.2.2	28	National TA for SECAP				AF	Nghe An PMU	Plan	No	Post Review	LCS	51 695.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	1-Mar-25
								Actual				-	-	Actual							
C3.1.3.1	29	Capacity building for M&E staff				AF	Nghe An PMU	Plan	No	Post Review	SSS	860.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A
								Actual				-	-	Actual							
C3.1.3.2	30	Capacity building for district and commune staff				AF	Nghe An PMU	Plan	No	Post Review	SSS	3 870.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A
								Actual				-	-	Actual							
C3.1.3.3	31	Training for relevant stakeholders on SECAP				AF	Nghe An PMU	Plan	Yes	Prior Review	QCBS	360 000.00		Plan	15-Jan-26	22-Jan-26	24-Jan-26	7-Feb-26	21-Feb-26	28-Feb-26	1-Jun-25
								Actual				-	-	Actual							
C3.1.6	32	Audit				IFAD/GOV	Nghe An PMU	Plan	Yes	Post Review	FBS	90 000.00		Plan	Enter Date	N/A				N/A	15-Jun-25
								Actual				-	-	Actual							

C3.2.3.1.8	33	Livelihood and Value Chain Coordinator			GOV	Nghe An PMU	Plan	Yes	Post Review	ICS	13 182.00		Plan	1-Mar-25	N/A	3-Mar-25	24-Mar-25	7-Apr-25	N/A	11-Apr-25
							Actual				-	-	Actual							
C3.2.3.1.10	34	Recruitment of a Livelihood and Value Chain Coordinator			GOV	Nghe An PMU	Plan	Yes	Post Review	ICS	15 504.00		Plan	1-Sep-25	N/A	3-Sep-25	24-Sep-25	8-Oct-25	N/A	12-Oct-25
							Actual				-	-	Actual							
C3.2.3.1.11	35	Livelihood and Value Chain Officers			GOV	Nghe An PMU	Plan	Yes	Post Review	ICS	21 092.00		Plan	1-Mar-25	N/A	3-Mar-25	24-Mar-25	7-Apr-25	N/A	11-Apr-25
							Actual				-	-	Actual							
C3.2.3.1.12	36	Environmental and Climate Officer			GOV	Nghe An PMU	Plan	Yes	Post Review	ICS	5 273.00		Plan	1-Mar-25	N/A	3-Mar-25	24-Mar-25	7-Apr-25	N/A	11-Apr-25
							Actual				-	-	Actual							
C3.2.3.1.13	37	Gender and Social Inclusion Officer			GOV	Nghe An PMU	Plan	Yes	Post Review	ICS	5 273.00		Plan	1-Mar-25	N/A	3-Mar-25	24-Mar-25	7-Apr-25	N/A	11-Apr-25
							Actual				-	-	Actual							
C3.2.3.1.15	38	Recruitment of an Interpreter			GOV	Nghe An PMU	Plan	Yes	Post Review	ICS	10 546.00		Plan	15-Jan-25	N/A	17-Jan-25	7-Feb-25	21-Feb-25	N/A	25-Feb-25
							Actual				-	-	Actual							

Proposal Process			Evaluation				Plan vs. Actual	Contract Award & Signature											Remarks
No-objection Date	RFP/RCC Launch Date	Proposal submission deadline	Submission of TER	No-objection Date	Submission of CER	No-objection Date		Issue of NOITA&Standstill	Date Contract Award	Negotiations completed	Submission of Draft Contract	No-objection Date	Date Contract Signature	Contract No.	Vendor Name/ID	Amount (USD)	Amount (LCU)	Date Contract Completion	
11-Mar-25	13-Mar-25	27-Apr-25	11-May-25	18-May-25	1-Jun-25	8-Jun-25	Plan	11-Jun-25	26-Jun-25	11-Jul-25	16-Jul-25	23-Jul-25	27-Jul-25			1 832 788.00	-		
							Actual												
N/A	3-Jan-26	28-Jan-26	11-Feb-26	N/A	25-Feb-26	N/A	Plan	28-Feb-26	15-Mar-26	30-Mar-26	4-Apr-26	N/A	8-Apr-26			11 138.00	-		
							Actual												
N/A	17-Jan-26	11-Feb-26	25-Feb-26	N/A	11-Mar-26	N/A	Plan	14-Mar-26	29-Mar-26	13-Apr-26	18-Apr-26	N/A	22-Apr-26			22 277.00	-		
							Actual												
25-Feb-26	27-Feb-26	13-Apr-26	27-Apr-26	4-May-26	18-May-26	25-May-26	Plan	28-May-26	12-Jun-26	27-Jun-26	2-Jul-26	9-Jul-26	13-Jul-26			262 865.00	-		
							Actual												
N/A	17-Jan-26	11-Feb-26	25-Feb-26	N/A	11-Mar-26	N/A	Plan	14-Mar-26	29-Mar-26	13-Apr-26	18-Apr-26	N/A	22-Apr-26			103 903.00	-		
							Actual												
N/A	17-Jan-26	11-Feb-26	25-Feb-26	N/A	11-Mar-26	N/A	Plan	14-Mar-26	29-Mar-26	13-Apr-26	18-Apr-26	N/A	22-Apr-26			17 317.00	-		
							Actual												
N/A	3-Jun-25	28-Jun-25	12-Jul-25	N/A	26-Jul-25	N/A	Plan	29-Jul-25	13-Aug-25	28-Aug-25	2-Sep-25	N/A	6-Sep-25			40 000.00	-		
							Actual												
N/A	17-Jan-26	11-Feb-26	25-Feb-26	N/A	11-Mar-26	N/A	Plan	14-Mar-26	29-Mar-26	13-Apr-26	18-Apr-26	N/A	22-Apr-26			38 771.00	-		
							Actual												
N/A	3-Apr-26	28-Apr-26	12-May-26	N/A	26-May-26	N/A	Plan	29-May-26	13-Jun-26	28-Jun-26	3-Jul-26	N/A	7-Jul-26			40 000.00	-		
							Actual												
N/A	3-Jun-25	28-Jun-25	12-Jul-25	N/A	26-Jul-25	N/A	Plan	29-Jul-25	13-Aug-25	28-Aug-25	2-Sep-25	N/A	6-Sep-25			10 000.00	-		
							Actual												
N/A	3-Sep-25	28-Sep-25	12-Oct-25	N/A	26-Oct-25	N/A	Plan	29-Oct-25	13-Nov-25	28-Nov-25	3-Dec-25	N/A	7-Dec-25			15 000.00	-		
							Actual												
N/A	3-Sep-25	28-Sep-25	12-Oct-25	N/A	26-Oct-25	N/A	Plan	29-Oct-25	13-Nov-25	28-Nov-25	3-Dec-25	N/A	7-Dec-25			30 000.00	-		
							Actual												
			N/A	N/A			Plan	N/A		15-Sep-25	20-Sep-25	27-Sep-25	1-Oct-25			1 000.00	-		
							Actual												
N/A	17-Jan-26	11-Feb-26	25-Feb-26	N/A	11-Mar-26	N/A	Plan	14-Mar-26	29-Mar-26	13-Apr-26	18-Apr-26	N/A	22-Apr-26			6 600.00	-		
							Actual												
N/A	17-Mar-26	11-Apr-26	25-Apr-26	N/A	9-May-26	N/A	Plan	12-May-26	27-May-26	15-Jan-26	20-Jan-26	N/A	24-Jan-26			12 000.00	-		
							Actual												
N/A	2-Jan-00	27-Jan-00	10-Feb-00	N/A	24-Feb-00	N/A	Plan	27-Feb-00	13-Mar-00	28-Mar-00	2-Apr-00	N/A	6-Apr-00			6 600.00	-		

Day Ranges *These tables provide estimated timelines by procurement methods, based on experience and guidance in the Procurement Handbook where specified. The approximate number of days are used in the default Procurement Plan Formulas. Timelines in the Approx fields/Formulas are not prescriptive, and may be modified by the project. Approx figures entered will be highlighted/flagged, if below the Minimum number of days. Zero indicates steps that are not applicable to the method, and are indicated as N/A in the Formulas.*

Goods & Works

Procurement Method	Submission of PreQual docs			No Objection Date			PreQual Invitation Date			PreQual Closing Date			Submission of PreQual Report			No Objection Date			Submission of BD			No-objection Date			Bid Invitation Date			Bid Closing-Opening			Submission Tech Eval Rpt			No-object Date				
	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max			
Single Envelope																																						
RFO/Shopping (NS/IS)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3	N/A-Start Date	7	10	7	1	3	1	5	21	14	0	0	0	0	0
NCB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	30	45	30	0	0	0	0	0	0	0	0
ICB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	45	70	45	0	0	0	0	0	0	0	0
LIB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	45	70	45	0	0	0	0	0	0	0	0
NCB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1	3	2	30	45	30	0	0	0	0	0	0	0	0
ICB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1	3	2	45	70	45	0	0	0	0	0	0	0	0
LIB (with PreQual)	1	4	N/A-Start Date	5	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1	3	2	45	70	45	0	0	0	0	0	0	0	0
Direct Contracting/Force Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	3	N/A-Start Date	7	10	7	1	3	1	7	30	14	0	0	0	0	0	0	0	0
Two Envelope																																						
NCB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	30	45	30	3	21	3	7	7	10		
ICB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	45	70	45	3	21	21	7	7	10		
LIB (no PreQual)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	45	70	45	3	21	21	7	7	10		
NCB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1	3	2	30	45	30	7	21	14	7	7	10		
ICB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1	2	2	45	70	45	7	21	21	7	7	10		
LIB (with PreQual)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	30	14	21	14	7	10	7	1	14	10	7	10	7	1	2	2	45	70	45	7	21	21	7	7	10		

Services

Selection Method	Submission of REOI			No Objection Date			REOI Launch Date			EOI Submission Deadline			Submission of Shortlist Report			No Objection Date			Submission of RFP/RCQ			No-objection Date			RFP/RCQ Launch Date			Proposal submission deadline			Submission of TER			No-object Date	
	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max
QCBS (w/Shortlist)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	14	14	21	14	7	10	7	1	7	4	7	10	7	1	3	2	45	60	45	14	21	14	7	10
FBS (w/Shortlist)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	7	4	7	10	7	1	3	2	45	60	45	14	21	14	7	10
LCS (w/Shortlist)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	7	4	7	10	7	1	3	2	45	60	45	14	21	14	7	10
QBS (w/Shortlist)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	7	4	7	10	7	1	3	2	21	60	45	14	21	14	7	10
COS (w/Shortlist)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	5	4	7	10	7	1	3	2	14	30	21	0	0	0	0	0
ICS (w/Shortlist)	1	4	N/A-Start Date	7	10	7	1	3	2	14	30	21	14	21	14	7	10	7	1	5	4	7	10	7	1	3	2	14	30	21	0	0	0	0	0
QCBS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	45	60	45	14	21	14	7	10
FBS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	5	N/A-Start Date	7	10	7	1	3	2	14	30	21	7	21	14	7	10
LCS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	21	30	25	7	21	14	7	10
OBS (noShortlist)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	21	60	45	14	21	14	7	10
SSS/ Selection (Design/PIM)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	7	N/A-Start Date	7	10	7	1	3	2	7	30	30	0	0	0	0	0

NOTE
 1. Some procurement methods for low-value processes might require No Objections based on the Prior Review Thresholds. Where they do not require, No Objection number of days should be zero.
 2. RFP: Request for Proposals: standard procurement document used for Services.
 3. RCQ: Requests for Consultants Qualifications: Procurement document used for COS and LCS. The RFP is used for all other procurement methods
 4. Consulting services and Good/Works methods could either be used for Non-Consulting Services
 5. All days are calendar days

Validation List Source

n	Submission Combined Eval Rpt/Bid Evaluation Report			No-objection Date			Issue of NOITA & Standstill			Date Contract Award			Submission of Draft Contract			No-objection Date			Date Contract Signature			Totals			
	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx
0	1	7	7	7	10	7	0	0	0	4	-	6	3	7	5	7	10	7	4	7	4	40	78	58	1m 27d
0	3	21	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	78	123	94	3m 3d
0	3	21	21	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	93	148	116	3m 25d
0	3	21	21	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	93	148	116	3m 25d
0	7	21	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	126	208	164	5m 12d
0	7	21	21	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	141	233	186	6m 4d
0	7	21	21	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	139	233	186	6m 4d
0	3	21	7	7	10	7	0	0	0	4	-	6	3	7	5	7	10	7	4	7	4	44	101	58	1m 27d
7	3	14	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	88	147	104	3m 13d
7	3	14	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	103	172	137	4m 16d
7	3	14	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	103	172	137	4m 16d
7	3	14	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	136	232	185	6m 3d
7	3	14	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	151	256	207	6m 25d
7	3	14	14	7	10	7	1	3	3	14	-	15	3	7	5	7	10	7	4	7	4	151	256	207	6m 25d

n	Submission of CER			No-objection Date			Issue of NOITA & Standstill			Date Contract Award			Negotiations completed			Submission of Draft Contract and MoN Date			No-objection Date			Date Contract Signature			Totals			
	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx	Min	Max	Approx
7	7	14	14	7	10	7	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	172	268	193	6m 11d
7	7	14	14	7	10	7	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	172	268	200	6m 18d
7	7	14	14	7	10	7	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	172	268	200	6m 18d
7	0	0	0	0	0	0	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	134	244	179	5m 27d
0	14	21	14	7	10	7	0	0	0	4	-	6	7	14	14	3	7	5	7	10	7	4	7	4	113	195	142	4m 21d
0	14	21	14	7	10	7	0	0	0	4	-	6	7	14	14	3	7	5	7	10	7	4	7	4	113	195	142	4m 21d
7	7	14	14	7	10	7	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	128	190	145	4m 24d
7	7	14	14	7	10	7	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	90	158	121	3m 30d
7	7	14	14	7	10	7	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	97	160	125	4m 4d
7	0	0	0	0	0	0	1	3	3	14	-	15	10	28	15	3	7	5	7	10	7	4	7	4	90	166	124	4m 3d
0	7	21	14	7	10	7	0	0	0	4	-	6	7	21	21	3	7	5	7	10	7	4	7	4	55	126	103	3m 12d

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Vietnam

**Climate Resilient and Inclusive Water Infrastructure for rural
Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)**

PROJECT

IMPLEMENTATION

MANUAL

(PIM)

Overview of the Programme Implementation Manual

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Abbreviations and acronyms

ARP	Agriculture Restructuring Program
AWPB	Annual work plan and budget
BT	Ben Tre
CCAF	Climate Change Adaptation Fund (TV)
CCCO	Climate Change Coordination office
CIG / CG	Community interest groups / Community group
CIIEWS	Climate Information Early Warning System
CPC	Commune People's Committee
DARD	Department of Agriculture and Rural Development
DA	Designated Account
DoNRE	Department of Natural Resource and Environment
DPC	District People's Committee
DPI	Department of Planning and Investment
GoV	Government of Viet Nam
IFAD	International Fund for Agriculture Development
M&E	Monitoring and Evaluation
MTR	Mid-term Review
MFI	Micro Finance Institution
MoF	Ministry of Finance
NTP- NRD	National Target Program for New Rural Development
ODA	Official Development Assistance
PCU	Project Coordination Unit
PD	Project Director
PPC	Provincial People's Committees
PPP	Public – Private Partnership
PSC	Project Steering Committees
RIMS	Results and Impact Management System
SBV	State Bank of Viet Nam
SCG	Savings and Credit Groups
SEDP	Socio-Economic Development Plan
SME	Small and Medium Enterprise
SOE	Statements of Expenditure
ToR	Terms of Reference
TV	Tra Vinh
VBSP	Viet Nam Bank for Social Policy
VC	Value Chain
VND	Vietnamese Dong
WDF	Women's Development Fund
WU	Women's Union

Map of the project area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map scale: 1:100,000 (IFAD/11/06/2022)

I. Introduction

1. This draft Project Implementation Manual (PIM) provides guidelines for implementing the Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces (CRWIS). The PIM describes how CRWIS will invest in climate resilient and inclusive rural economic development in Thanh Hoa and Nghe An provinces and how the project will be managed. This is supported by standard formats, terms of references (ToRs), and examples; as well as by a draft Annual Work Plan and Budget and a draft Procurement Plan for the first 18-month of the Project implementation. This draft PIM is accompanied by a separate Financial Management Manual (FMM). Basic instruction for financial management and procurement shall be updated in consistence with the Financing Agreement and the Letter to Borrower.

2. The PIM is to be read in conjunction with the Project Design Report and the Financing Agreement. This PIM was drafted by IFAD and shall be carefully reviewed and updated appropriately by the PSCs, PMUs and other implementing agencies and by all major stakeholders in the Project. The PIM will be submitted to IFAD again to review and provide no objection for any changes proposed as a result of the review. Finalisation of PIM, coordinated by the PSCs and PPMUs, is a condition for effectiveness of the financing of the project.

3. Once IFAD financing for CRWIS has become effective, the Project Implementation Manual, together with the provisions for financial management and procurement, will form the basis for the Project's systematic implementation. Experience in implementing the Project may necessitate amendment of the PIM. If so, the PMUs in consultation with the implementing agencies and the concerned project partners, proposes appropriate changes, which will become effective upon IFAD review and no objection.

II. Project Overview

2.1. Project goal and objectives

4. The Goal of CRWIS is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socioeconomic development in Thanh Hoa and Nghe An provinces". The Project Development Objective is to "Catalyze climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods." CRWIS will directly benefit 73,000 rural households or 255,500 individuals in the targeted districts of the two provinces.

2.2. Geographic area, targeting, and beneficiaries.

5. The project is targeting the most climate-vulnerable communities in two districts (Ha Trung and Hoang Hoa) in Thanh Hoa province and six districts (Con Cuong, Anh Son, Do Luong, Thanh Chuong, Nam Dan and Hung Nguyen) in Nghe An province within the Lam river watershed, which are vulnerable to climate change. IFAD-financed interventions will improve irrigation water availability and management for approximately 13,257 ha of agricultural land in Ma river (Thanh Hoa province) and Lam river (Nghe An province) watersheds, and strengthen flood control and prevention for approximately 6,602 ha of agricultural and residential land along the Hoat and Cung rivers (in Thanh Hoa province).

6. CRWIS's intervention area has been identified on the basis of its high vulnerability to flood, drought and saline intrusion and the local Governments' strategies and

priorities, as identified in the Provincial Master Plans, in rehabilitating critical water management infrastructure to address those environmental and climate-related issues for water-dependent and climate-vulnerable agricultural communities.

7. In Thanh Hoa province, CRWIS will target 24 communes out of the 57 communes in the two targeted districts, accounting for 32,000 beneficiary households or 120,000 individuals (33.2 per cent of the overall districts' population); and in Nghe An province, the project will target 38 communes out of the 142 communes along the Lam river watershed in the six targeted districts, accounting for 41,800 beneficiary households or 158,000 individuals (16.9 per cent of the overall districts' population). Women will represent 50 per cent of the direct beneficiaries and youth will represent 20 per cent.

8. The selection of specific sites will be based on the selection of infrastructure schemes to be rehabilitated or upgraded under Component 1. Feasibility studies and detailed designs will be finalised during the first year of the project, along with assessment of environmental, hydrological, agronomic, economic and social considerations.

9. Table 1 – Project Targeted Communes and Beneficiary Households

Districts targeted by CRWIS (*)	Total Number of Communes	Total Population (HHs)	Number of Communes targeted by CRWIS	Total Population targeted by CRWIS (HHs)
Thanh Hoa Province				
Ha Trung	20	33,996	11	19,400
Hoang Hoa	37	62,545	13	12,600
Sub-total	57	96,541	24	32,000
Nghe An Province				
Nam Dan	19	42,511	7	13,800
Hung Nguyen	18	34,325	4	3,600
Do Luong	33	59,359	9	10,600
Thanh Chuong	38	62,149	13	11,500
Anh Son	21	31,058	4	1,100
Con Cuong	13	18,313	1	1,200
Sub-total	142	247,715	38	41,800
Total	199	344,256	62	73,800

10. (*) Thanh Hoa province has a total of 559 communes in 27 districts with a population of 1,000,579 households, and Nghe An province has a total of 430 communes in 21 districts with a population of 863,388 households.

11. Target Groups and targeting strategy. CRWIS will be implemented through a combination of geographical targeting and direct beneficiary targeting approaches aimed at the most climate-vulnerable communities. The project will adopt an inclusive targeting strategy in the selection of irrigation schemes and pumping stations to be rehabilitated under Sub-component 1.1, with consideration to (1) current climate change vulnerability and future trends, (2) agricultural production/productivity potential, (3) presence of complementary government projects for alignment and synergy, and (4) multidimensional poverty index. While an irrigation scheme's command area may not entirely overlap with district or commune boundaries, for the purpose of project management, the district and commune will remain the focus of both Component 1 and Component 2 activities.

12. CRWIS targeting strategy will be informed by the assessment of the livelihoods, constraints and aspirations of the different target groups of which 50% of women and

20% of youth including from ethnic minorities (where relevant). Direct beneficiaries will be selected from the following socio-economic groups: (i) poor and near-poor rural households, (ii) water-insecure and climate vulnerable smallholder farmers, and (iii) women (including women-headed households) and youth farmers. CRWIS will further develop the gender and social inclusion strategy depicted in Appendix 3, that is aimed at the empowerment of women and youth (including from ethnic minorities where relevant) informed by province-specific gender social norms assessment to determine women's climate adaptive capacity; Implementation of a Household Methodology for improved gender relations to enhance climate resilience and business skills at household and community levels; Grants for increased climate resilience of poor and near poor women and youth and ethnic minorities; Leadership skills trainings for women and youth leaders of WUGs and cooperatives; Capacity building of project implementers on GEWE for increased women's climate adaptive capacity.

13. Other direct beneficiaries will include: (i) Provincial and district public institutions, who will receive support to strengthen policy, sectoral planning and institutional capacities for an integrated and inclusive water management for irrigation and flood control, and to support the development of pro-poor, gender-transformative and climate-resilient value chains; (ii) Public and private service providers of extension services and business development services engaged in promotion of CSA technologies and practices; (iii) cooperatives, water users, and farmer organizations such as Common Interest Groups (CIGs), with priority to those owned by youth and women; and (iv) Producer groups and private actors involved in small-scale processing and marketing.

14.

15. In terms of climate hazards and vulnerability, and according to FAO's Climate and Agriculture Risk Visualization and Assessment (CAVA) and other secondary data; both Thanh Hoa and Nghe An provinces are already subject to higher climate change risks vis-à-vis other regions. In fact: 1) both targeted provinces are currently experiencing extreme temperature anomalies, while 2041-2060 projections show that such anomalies would continue and increase in magnitude; 2) precipitation extremes appear more pronounced in the North-central Coast (hosting Thanh Hoa and Nghe An) and South-central Coast. MONRE analysis (2016)¹ analysis shows that North Central region is one of the regions where the change in annual rainfall (%) is projected to be higher than 20%. Between September and November, this region has a higher number of high rainfall events and potentially observe river floods that are accentuated by intense precipitation, steep topography, and lack of water storage options; 3) in terms of drought occurrence and projections², all of Vietnam has experienced agricultural and hydrological droughts between 1979 and 2007, but the frequency of droughts is higher in North Vietnam (including Nghe An and Thanh Hoa). Drought events are projected to increase considerably in North-central and South-central Vietnam. The coastal regions of North Vietnam (including Nghe An and Thanh Hoa provinces) are projected to experience longer drought events contributing to increased agricultural vulnerability

16. **Monitoring of Gender and Youth strategies.** The M&E system will give strong emphasis to monitoring of targeting performance. All implementing partners and service providers will be required to provide disaggregated data in relation to overall Project's targets. All people-specific indicators will be disaggregated into male, female, youth.

1 MONRE (2016). Climate Change and Sea Level Rise Scenarios for Viet Nam. Ministry of Natural Resources and Environment: Hanoi. <https://www.imh.ac.vn/files/doc/2017/CCS%20final.compressed.pdf>

2 Katzfey, J.J., McGregor, J.L. & Suppiah, R. (2014). High-Resolution Climate Projections for Vietnam: Technical Report. CSIRO, Australia. 266 pp. <https://www.rccap.org/wp-content/uploads/2017/05/vietnam-projections-tech-report.pdf>

Household indicators will be disaggregated into woman-headed household, non-woman-headed household, poor and near-poor household, and ethnic minority household. The MIS will collect and analyse information about Project outreach, effectiveness of the targeting strategy and specific benefits for women and youth. This will require coordination and collaboration between the M&E Specialists (at PMU and District levels) and the Gender and Social Inclusion Officer. Outcome and Impact surveys will include specific indicators measuring empowerment of women and youth.

All service providers supporting the implementation of the Project activities should have a commitment to gender inclusive approaches, youth engagement and social inclusion.

III. Project Management

3.1. Management principles

17. The project management should adhere to the following principles:

18. **Programme approach:** The programme approach is applied throughout the CRWIS implementation with the following particular principles: (i) Integration with all the other programmes and projects on-going in the provinces, namely the national target programmes such as NTP-NRD, NTP-EMD, and the donor-supported projects in Nghe An and Thanh Hoa provinces; in the same vein, contribute to the National Determined Contributions to the Paris Agreement on climate change; (ii) implementation arrangement of CRWIS is embedded along the current institutional setup and mandates of the government agencies and mass organizations; (iii) limit as much as possible establishment of new management bodies and recruitment of contracted management staff; and (iv) CRWIS activities leverage knowledge and outputs, including comprehensive assessment of NHMS in the proposal document, generated by other projects such as UNDP-led, Green Climate Fund (GCF) project "Strengthening the resilience of smallholder agriculture to climate change-induced water insecurity in the Central Highlands and South-Central Coast regions of Vietnam (FP125)".

19. **Decentralization.** Similarly to all IFAD-supported projects in the past, the project ownership will be decentralized to the province-level governments namely the Province People Committees of Thanh Hoa and Nghe An provinces (which are identified by the national regulation as "investment owners" of the project). The project implementation will be strategically supported by the Ministry of Planning and Investment (MPI) and financially assisted by the Ministry of Finance (MOF).

20. **Minimized operation cost:** Avoidance of creation of parallel Project Steering Committee (consider using the existing New Rural Development or Agriculture Restructuring Coordination Board). The mission of PSC is to coordinate co-financing projects to be funded by IFAD and another donors (IFAD for infrastructure, other donors for non-infrastructure components). PSC also ensure CRWIS project integration with the NTPs and the other donor-supported projects in terms of project coordination and management. At the district and commune level, CRWIS management will be integrated with the existing institutional arrangement at the local levels to ensure objectives of capacity building, impact sustainability and minimized management cost.

21. **Innovative implementation for regional and national replication and up-scaling.** Innovations promoted by CRWIS should be documented and up-scaled through national and provincial programmes and projects, since CRWIS objectives are fully aligned with the following the Government's strategic goals: (i) enabling market-led rural development, (ii) advancing access of the poor to commodity and labour markets, and (iii) enhancement of rural poor capacity to adapt to climate change. These objectives are articulated in the Vietnam Socio-Economic Development Plan (SEDP) 2021-2025, the

Vietnam Socio-Economic Development Strategy (SEDS) 2021-2030, the Agriculture Restructuring Programme, and the National Target Program for Climate Change Response and Green Growth for the 2020-2025.

22. CRWIS will provide good practices in implementing the Law on Gender Equality (2006) that empowers women in economic participation and decision making, and the Youth Development Strategy 2021-2030 that promotes vocational training and employment. The innovations in mainstreaming gender and youth for sustainable development under CRWIS should be well analysed, documented and shared for replication through the project KM strategy and action plans.

23. **Alignment to SDGs and IFAD strategic objectives.** CRWIS management shall contribute to achieving the Global Sustainable Development Goals (SDGs), especially SDG 1 (end poverty), SDG 2 (zero hunger), SDG 5 (gender equality), SDG 6 (Clean water and Sanitation), SDG 8 (Decent work and Economic growth), SDG 10 (Reduced Inequality); and SDG 13 (climate action). CRWIS strategic management shall ensure the project to contribute to implementing three strategic objectives of IFAD's Strategic Framework 2020-2025 reflected by the three strategic objectives of the 2019-2025 COSOP for Vietnam: (i) Leverage greater investment from the private sector into inclusive value chain development, (ii) Enhance and expand financial inclusion for climate resilient rural livelihoods; and (iii) Foster the environmental sustainability & climate resilience of smallholder economic activities. CRWIS shall focus on IFAD's mainstreaming and transformative agenda on gender, youth, indigenous people (i.e. ethnic minorities) and climate change resilience.

24. **Harmonization and partnerships.** CRWIS is an integrated element of donor-supported strategic efforts attaining to sustainable development of two provinces. Therefore CRWIS management should maintain close cooperation with development partners who are active in the provinces, namely the WB, ADB, and JICA. Development partners hold regular coordination meetings to take stock of results, align approaches and coordinate future investments.

25. Alignment and partnerships are envisaged during implementation with both national and international institutions such as: (i) National Coordination Office for NTP-NRD and OCOP; (ii) Central Committee for Ethnic Minorities (CEM) for integration with the NTP-EMD; and (iii) Central Committee for Sustainable Poverty Reduction (SPR).

26. Following the principles, the project coordination and management structure will be established as summarized in the following diagram:

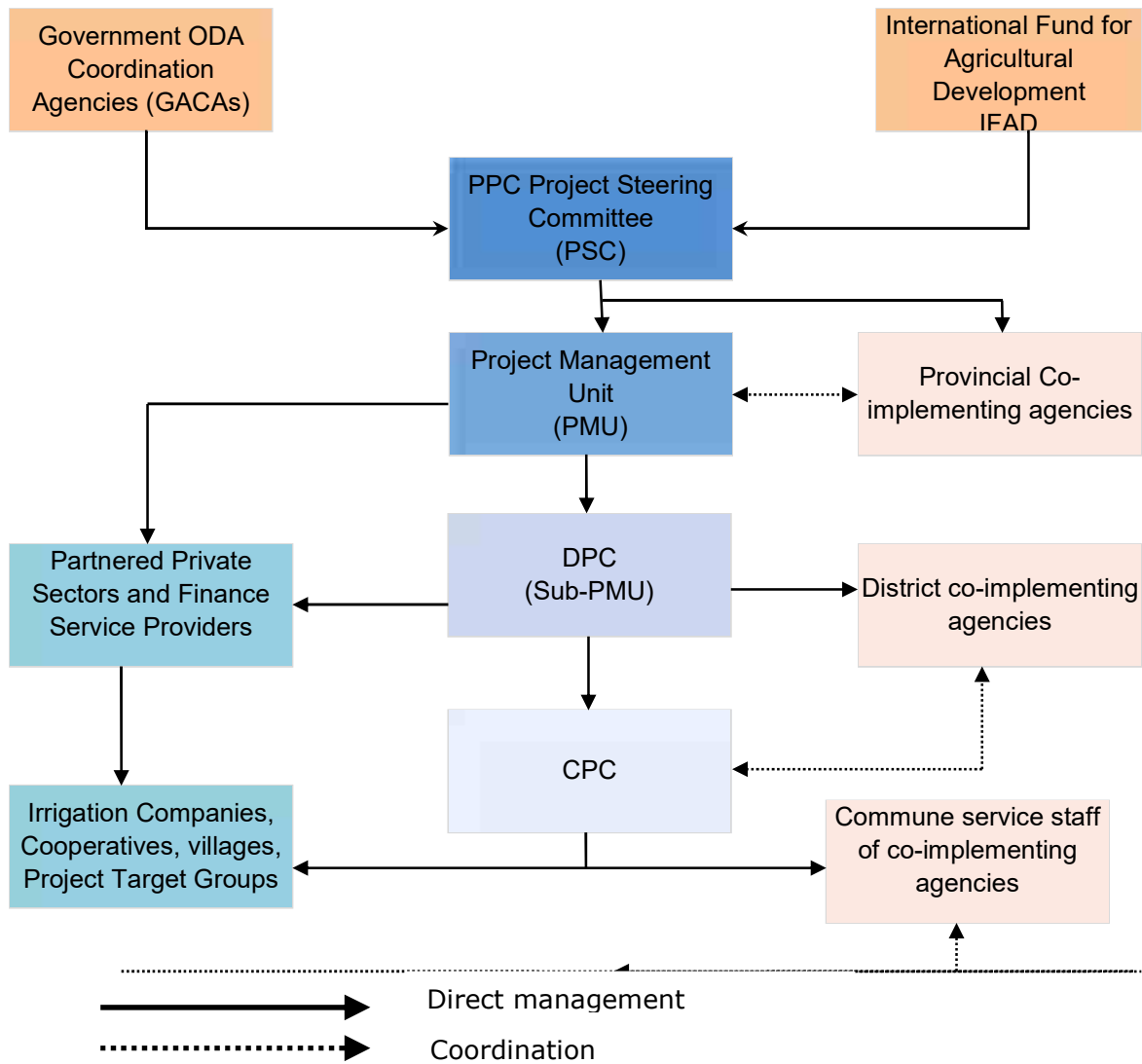


Figure 1 – Project Management Structure for each Province

3.2. Project Steering Committee

27. The PPC will establish a Project Steering Committee (PSCs) in each province, to be led by the PPC Chairperson or the Deputy Chairman. PSCs are mandated to lead the project implementation, ensure coordination and integration of the project with all the national target programmes and donor-funded projects. The PSC is composed of PPC, DPI, DOF, DARD, DONRE, DOIT, WU, DOLISA, FU, CA, YU, CEM NTPs, and District People's Committees. The PSC provides the strategic direction to the implementation of CRWIS, oversees project planning, financing and procurement processes, mobilises adequate and timely finance for the AWPB, reviews the progress and reporting on results. The PSC in Nghe An would hold joint meetings for the NTP-EMD, NTP-SPR, NTP-NRD, and CRWIS and likewise, the PSC in Thanh Hoa would cover both CRWIS and the NTP-NRD. This arrangement streamlines current parallel processes into one, and coordinates the various financing sources destined for a similar purpose and thus creating higher efficiencies and better impact.

28. The PSC meets quarterly to review the implementation progress, review and approve draft AWPB and procurement plans before the beginning of the year. The PSC discusses and resolves challenges related to project implementation, including grievances related to procurement, staff management, code of conduct and other allegations brought forward.

3.3. Project Management Unit

29. Each of the two provincial PPCs establishes a dedicated Project Management Unit (PMU) for CRWIS. The provincial PMUs led by a project director, a project deputy director and composed of three technical sections: (i) Strategic Management including dedicated staff for component 2, social inclusion activities (gender, youth, EM), environmental safeguards and climate adaptation activities, (ii) Infrastructure Management including a Climate Resilient Engineer to ensure adherence to social and environmental safeguards, procurement officers, and M&E and KM officer and (iii) Financial Management.

30. The PMU will be responsible for the day-to-day management of the CRWIS implementation and functions as the secretary for the PSC meetings. The key tasks of the PMU are to: (i) ensure the coherence of the implementation strategy towards the expected outputs, outcomes and impacts; (ii) draft the AWPB and procurement plan; (iii) mobilise and manage project finance from the various sources; (iv) ensure adherence to procurement IFAD and national procedures ; (v) set up of the Management Information System, baseline surveys, M&E and reporting structures (vii) set up a of co-ordination structure and strategy with the co-implementing agencies (DARD, DoNRE, DPI, DOF, DOLISA, DOIT, WU, YU, FU, CA), district and commune level agencies; (viii) facilitate the networking with banking sector, private sector, 4P platform (ix) set up an effective knowledge management system ; (x) identify relevant policy topics and support the PSC on policy engagement activities and (xi) ensure environmental and social safeguards requirements are met for project activities implementation based on the national regulations on environmental management and IFAD's SECAP recommendations.

31. The proposed PMU structure builds on the foundation provided under the previous IFAD funded projects which suggests smaller PMU in each province. These have demonstrated a solid track record of delivery of even complex tasks across province, district and commune structures. The compact management unit helps the province save operating cost while ensures that project activities will be properly mainstreamed in the provincial government programmes of work. The IFAD country team will continue organizing regular training and capacity development of portfolio PMUs on project management and implementation

32. At the district level, the District People’s Committee (DPC) will be responsible for coordination of the project activities and integration with the organizational structures and mandates of the line agencies and mass organizations at the district level. The DPC Chairman (or Vice-Chairman) will be responsible for the coordination of project activities. A sub-project management unit will be established at each district or combined 2-3 districts with Infrastructure Engineer, M&E officer, and livelihood and Market officer direct implementing the project activities.

33. Project Management at Commune Level. The CPC will be accountable for the project implementation at the commune level. In both provinces, the commune’s chairpersons, accountant and cashier will receive a project management allowance in line with government policy. To the extent possible, project implementation will be decentralized to the CPCs, which will receive substantial training to develop their capacities. The PMU staff provides technical backstopping. The project implementation integrates itself into existing institutions at the local levels to ensure ownership, direct link to higher level policy makers, sustainability, local capacity building and reduced management cost.

Table 2. Structure of Project Implementation Unit in each province

Position	Thanh Hoa	Nghe An
Project Director	1	1
Administration Secretary and Project Driver	2	2
<i>Strategic Management Section</i>		
Deputy Project Director and Head of Section	1	1
M&E and Knowledge Management	3	4
Environmental and Social Officer	2	2
Value Chain and Livelihood Coordinator/officer	3	4
Interpreter	1	1
<i>Financial Management Section</i>		
Chief Accountant – Head of Section	1	1
Accountant	2	2
Cashier	1	1
<i>Infrastructure Management Section</i>		
Deputy Project Director cum Head of Section	1	1
Infrastructure Development Support Officer including a Climate Resilient Engineer	3	3
Procurement Officer	2	
Total	23	24

34. Terms of Reference for each of the additional PMU positions are specified in the Appendix 4 of the PIM. Those management and technical staffs who worked for the AMD project with solid performance are prioritized for the PMUs. Regular meetings of the PSCs and PMUs from both provinces are required to ensure inter-provinces climate change adaptation and regional value chain planning and implementation as established by the Mekong Delta Master Plan and the other regional development plans.

3.4. Project Implementing Agencies

35. The PSCs will convene regular meetings to assign relevant and committed technical line agencies and mass organizations at appropriate levels for co-implementation of the project activities. The assignments will be decided by the PSCs at their quarterly

meetings based on the capacities, resource integration commitments for new tasks and past performance of the co-implementing agencies. It is envisaged that at the province level PPC, DPI, DOF, DARD, DONRE, DOIT, WU, DOLISA, FU, CA, YU, and CEM NTPs, are key co-implementing agencies of the project.

36. At the district/commune level the project implementation will be coordinated by the DPCs/CPCs and implemented by the district/commune line agencies/staff and the district/commune mass organizations. Implementation of CRWIS will be integrated with the existing institutional arrangement at the local levels to ensure objectives of capacity building, sustainability and reduced management cost.

3.5. Social, Environmental and Climate Assessment Procedures

37. Refer to Annex 5: Social, Environment and Climate Assessment Procedures (SECAP) Review Note and associated annexes. SECAP related guidance for project procurement has also been provided, and should be adopted for all relevant procurement activities. IFAD will be available to provide additional technical assistance and training (in person or remotely) to PSCs and PMUs on SECAP procedures and requires at early implementation and implementation. The project will ensure timely recruitment and on-boarding of the Gender and Social Inclusion Officer and Environment and Climate Officer (draft TORs for whom are available in Appendix 4).

38. The following reports and assessments will need to be developed after engineering design and technical feasibility study is completed, and continuously updated throughout implementation.

- (a) Review and implement the Grievance Redress Mechanism, Stakeholder Engagement Plan, and Ethnic Minority Plan.
- (b) Follow-up and refine the Gender and Social Inclusion strategy, including beneficiary targeting criteria and thresholds during early implementation.
- (c) Adopt the Free, Prior and Informed Consent (FPIC) approach to stakeholder consultations during early implementation to refine design.
- (d) Develop the Resettlement Action Plan (RAP), including compensation models and modalities, once land acquisition and economic displacement risks are confirmed (i.e., immediately after engineering design and feasibility study).
- (e) Revisit and prioritize proposed adaptation measures in the Targeted Adaptation Assessment (Table 4.D.i).
- (f) Ensure that all training to farmers and farmers groups on Climate Smart Agriculture take an integrated fertilizer / pesticide management approach; this can be supported by the development of an Integrated Fertilizer / Pesticide Management Plan if required.
- (g) Update the Environmental, Social, and Climate Management Framework (ESCMF) and risks, mitigation measures, and costs identified in Environmental, Social, and Climate Management Plan (ESCMP) matrix.
- (h) Ensure timely and full disclosure of SECAP documents in line with national regulations and IFAD policies.

39. Additional capacity building, training, and technical assistance required are included in the guidance note under Appendix 7.

3.6. Financial management

40. Financial Management Manual (FMM) in Appendix 8 has detailed financial management policies and procedures. The following are key financial management arrangements that the project will follow during the implementation:

- IFAD's FM policies and procedures and Government regulations for accounting and budgeting will be mandatory to follow during the implementation of the project.
- The PMBs will submit to IFAD quarterly WAs to justify the last quarter's expenditures and request advances adjusted for bank balances for the next two quarters. Report-based disbursement modality will be applied to request funds from IFAD.
- The project teams will use ICP to request funds from IFAD. The latest IFRs will be linked to each WA and submitted via the Finance Execution Model of ICP. The IFAD Client Portal (ICP) with a new module, called the Financial Execution module (FE module), is used to directly upload certain project financial reports into the IFAD Client Portal (ICP). The PMBs will upload the IFR into the system and link the WA to the IFR before submitting it to the Borrower/Recipient for approval in ICP and final submission to IFAD.
- IFAD's anti-corruption guidelines will be mandatory during the project implementation.
- FM staff for each province will include the Chief Accountant of the relevant PMB and two finance staff with experience in WB-funded operations. The finance teams will maintain accounting records in the accounting software. Roles and responsibilities for key FM staff are included in the FMM.
- Budgeting will follow internal government budgeting regulations, and a draft AWPB will be submitted to IFAD 60 days before the start of the relevant FY. Detailed budgeting guidelines are provided in FMM.
- Internal controls: Government and IFAD FM procedures will be mandatory to comply with.
- Vietnam National Accounting Standards will be applied to prepare project financial statements. BICTIME/SMARTBOOK accounting software will be used for accounting record-keeping and financial reporting. The software will automatically generate quarterly IFRs.
- All payments will be processed using the online banking system of a commercial bank where PAs will be maintained.
- The project will submit quarterly IFRs within 45 days of the end of each quarter. Sample IFRs formats are attached to FMM.
- Records and Fixed Asset management policies are included in the FMM

41. Refer to the Financial Management Manual for more detailed Financial Management arrangements.

3.7. Procurement

a. Introduction

42. This section is prepared to support implementing agencies carrying out procurement for goods, works, and services under the Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An Project (CRWIS).

43. The procurement of goods, civil works, and services using the provincial counterpart fund shall be implemented in compliance with GOV's Procurement Law. The procurement of goods, civil works, and services using the IFAD fund and Grant shall be carried out using procurement procedures guided by GOV's Procurement Law and IFAD Project Procurement Guidelines. In case of contradiction between the two, the latter will prevail. The procurement procedures will be detailed in the Project Procurement Arrangements Letter (PAL). A guidance note on Project Procurement Arrangements is depicted in Appendix 2.a.

b. Procurement Principles

44. Key principles of project procurement include:

45. **Ethics:** The guiding principles of ethical behavior are impartiality, independence and integrity. No person or entity shall use, or attempt to use, his, her or its authority, position or office for personal gain or interest, which is defined as soliciting, accepting or otherwise benefiting from anything of material value in any form, either in person or indirectly through close relatives or associates, in connection with IFAD-financed operations.

46. **Accountability:** The Borrower/Recipient/Implementing Agency is accountable to IFAD for all actions and decisions in connection with project procurement activities. This includes, but is not limited to ensuring: that financing is used solely for the purpose for which it was provided; that procurement is undertaken following IFAD Project Procurement Guidelines; and full compliance with the Social, Environmental and Climate Assessment Procedures.

47. **Competition:** All project procurement activities shall be based on full, fair and legitimate competition among eligible suppliers and contractors. Use of the most open method of procurement as practically possible; receipt (not sourcing) of at least 3 offers (especially for Shopping). Single sourcing and direct contracting do not provide the degree of competition required by IFAD and will be considered only in exceptional circumstances with due justification pursuant to procurement plans.

48. **Fairness:** Project-funded procurement will be open to as many eligible bidders as reasonable in order to comply with the principles and requirements of the competition. Ensure that all prospective bidders are: managed with a consistent approach and under the same laws, regulations and requirements; offered conditions that allow for genuine competition; and treated in a fair, impartial and unbiased manner so that the principles of impartiality and equal opportunity can be applied and demonstrated in all procurement activities.

49. **Transparency:** Transparency within procurement relates to disclosure in the public domain of information for all parties involved, interested in or affected by the procurement process, including but not limited to information on: the availability of procurement opportunities; where to access relevant data; the processes with which the procurement will be undertaken; the mechanisms by which contracts will be awarded; contract award data; and appeal procedures (debriefs and protests).

50. **Effectiveness, efficiency, and economy:** Processes must be timely and proportionate to the Procurement Activity in order to minimize implementation delays and to maximize value for money. Procurement must be well organized and carried out correctly with regard to quantity, quality and timeliness, at an optimum price. Processes must be proportionate to the procurement activity in order to minimize the overall cost of conducting the procurement process and tailored to the budget for each activity.

51. **Value for money:** To ensure that goods, works or services being tendered meet demands for the works and are not over-specified. Ensuring the best value does not necessarily entail the selection of the lowest-priced bid, but rather the best return on investment, taking into consideration the unique circumstances of each procurement activity, the time, cost and quality required, and the unique objectives of each contract.

c. Procurement Implementation Arrangements

52. Thanh Hoa and Nghe An PMUs will carry out the procurement and no delegation to district and commune is expected. However, this arrangement can be adjusted during the project implementation depending on the project activities. The delegation of procurements to communes and procurement with community participation are always encouraged.

53. All procurement of goods, works and services financed from IFAD funds under the Project shall be requested to include the additional provisions and self-certification form for bidders and contractors:

- To permit IFAD to inspect their accounts, records and other documents relating to the procurement and contract performance and to have them audited.
- To comply with the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations and with its Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse.

d. Procurement Plan

54. The Procurement Plan will be prepared based on the approved AWPB using the IFAD procurement plan template³. The Procurement Plan must be uploaded to the OPEN system as mandatory. The update and upgrade of the Procurement Plan will be carried out through the OPEN system and are subject to IFAD's No Objection.

55. Major procurements in the Project will include consulting services and works packages for the construction of dykes, pumping stations and canal systems, and management roads. Based on market research and experience learned from past projects, small pumping stations, canal systems, and management roads will be bulked into sizable packages for procurement. Each dyke and associated road system will be procured separately.

e. Procurement Methods and Application (IFAD Fund and Grant)

Civil Works and Non-consulting Services Related to Works

Procurement method	Thresholds and applied conditions
International Competitive Bidding (ICB)	\geq USD 5,000,000 Domestic preference is 7.5% (excluding industrial plants)
National Competitive Bidding (NCB)	$<$ USD 5,000,000
Shopping	\leq USD 45,000
Direct Contract (DC)	Applies to the indicated contracts in the Procurement

³ IFAD Procurement Plan Template can be found at <https://www.ifad.org/en/-/document/project-procurement-plan-template>

	Plan with due justification (as mentioned in the Handbook) subject to IFAD's NO under prior review ⁴ or alternatively without prior IFAD's NO for low-value unforeseen purchases with estimated cost per each purchase of <i>USD 5,000</i> or less up to an aggregate amount of <i>USD 400,000</i> per annum.
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Goods and Non-consulting Services Related to Goods

Procurement method	Thresholds and applied conditions
International Competitive Bidding (ICB)	≥ <i>USD 2,000,000</i> <i>Domestic preference is 15%</i>
National Competitive Bidding (NCB)	< <i>USD 2,000,000</i>
Shopping	≤ <i>USD 45,000</i>
Direct Contract (DC)	Applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD's NO under prior review ⁵ or alternatively without prior IFAD's NO for low-value unforeseen purchases with estimated cost per each purchase of <i>USD 5,000</i> or less up to an aggregate amount of <i>USD 200,000</i> per annum.

Consulting and Related Non-consulting Services

Procurement method	Thresholds and applied conditions
Quality and Cost-Based Selection (QCBS) (Method of combining technique and price according to Procurement Law)	This selection method is the default for contracts with firms estimated to cost <i>USD 1,000,000</i> or more.
Quality Based Selection (QBS) (Technical-based method according to the Procurement Law)	Might be applied to contracts of any value if a proper justification is provided.
Fixed Budget Selection (FBS) (Fixed price method according to the	Might be applied to contracts with firms estimated to cost less than <i>USD 1,000 000</i> .

⁴ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular contractor/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

⁵ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular contractor/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

Procurement method	Thresholds and applied conditions
Procurement Law); and Lowest Cost Selection (LCS) (The lowest price method according to the Procurement Law)	
Consultant's Qualifications Selection (CQS)	Might be applied to contracts with firms estimated to cost <i>USD 250,000</i> or less.
Individual Consultant Selection (ICS)	Applies to contracts with individuals regardless of the value
Single Source Selection (SSS) for firms	Applies to contracts with firms designated under SSS in the Procurement Plan with due justification subject to prior review ⁶ and/or contracts estimated to cost <i>USD 5,000</i> or less, up to an aggregate amount of <i>USD 200,000</i> per annum.
Single Source Selection (SSS) for individual	Applies to contracts with individuals designated under SSS in the Procurement Plan with due justification subject to prior review ⁷ and/or estimated to cost <i>USD 5,000</i> or less and with a contract duration of three months or less and up to an aggregate amount of <i>USD 100,000</i> per annum.

56. Note:

- International Advertisement is mandatory for consultancy contracts estimated to cost *USD 250,000* or more, regardless of the selection method.
- Shortlist following a Request for Expression of Interest is mandatory for all CQS and ICS procedures. In addition, shortlisting is mandatory for all consulting services contracts estimated to cost *USD 250,000* or more.
- The aforementioned thresholds may be modified by IFAD during the course of Project implementation.

f. Other Procurement Methods or Arrangements

57. The use of Force Account is not allowed.

58. The award of Grants and Investment Agreements are subject to the prior review threshold for Consulting Services (firms).

⁶ Any request for SSS by the borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 6, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

⁷ Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 7, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

59. The borrower/recipient shall adopt and use the Standard Procurement Documents issued by IFAD for CQS and the ones issued by National Authorities for other methods as long as the latter are supplemented/adapted to meet IFAD's SECAP standards and grievance mechanisms and the IFAD's Project Procurement Guidelines and IFAD Procurement Handbook. All the vendors will have to sign on the Self-Certification Forms, which are mandatory for all procurements carried out in IFAD-financed or managed projects. The templates at the bidding stage and contract stage are available at: <https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates>.

g. IFAD's Prior Review Requirements

60. IFAD will conduct regulatory reviews for the procurement of goods, works, and consulting services to ensure that the procurement process is carried out in accordance with the IFAD Project Procurement Guidelines and IFAD's Procurement Handbook. The following will be subject to prior review by IFAD and requires IFAD's No Objection:

1	Procurement Plans submitted as part of Annual Work Plans and Budget and any subsequent amendment of these plans;
2	General Procurement Notices
3	The TOR (Job Description), Advertisement and selection proceedings for the hiring of any staff responsible for carrying out or administering procurement processes as part of the project
4	Award of any Memorandum of Agreement irrespective of its value
5	Award of any contract for goods and goods-related non-consulting services estimated to cost USD 200,000 or more;
6	Award of any contract for works and works-related non-consulting services estimated to cost USD 500,000 or more;
7	Award of any contract for consulting services provided by firms estimated to cost USD 150,000 or more;
8	Award of any contract for individual consulting services estimated to cost USD 40,000 or more;
9	Award of any contract via Direct Contracting for Goods/Works/Consulting Services and related Non-Consulting Services above USD 5,000.

61. Following interim steps of the procurement process for Goods/Works/Services also require IFAD's No Objection for contracts designated for "**prior review**" in the project's procurement plan. No downstream procurement action by the Borrower/Recipient can proceed until prior NO is issued by IFAD as to the propriety and compliance of the bellow mentioned steps with the IFAD PPF:

	Activity / Step of the procurement process for Prior Review Contracts	Note
1	Call/Request for Prequalification document and related advertisement	
2	REOI (Request for Expression of Interest) document for consultancy services and related advertisement	

3	Terms of Reference for consultancy services and related non-consulting services	usually as part of NO request for issue of the RFP
4	Technical Specifications for Goods/Works/NCS	usually as part of NO request for issue of the bid docs
5	Composition of evaluation committees	Usually as part of bid evaluation report
6	Prequalification report for Goods/Works/NCS	
7	Shortlisting report for consultants' selection	
8	The use of "prior lists" for shortlisting consultants	
9	Complete Bidding Documents and RFPs and CfPs and related advertisement if applicable	
10	Use of a Performance Guarantee template if other than unconditional, irrevocable and on-demand guarantee	
11	Amendments to the Bidding Documents and RFPs, CfPs	
12	Opening bids/quotes/proposals that are less than 3 (excluding DC/SSS)	
13	Technical evaluation report (in two envelope procedures)	
14	The combined evaluation report (in two envelope procedures)	
15	The single evaluation report (in one envelope procedures) for Goods/Works/NCS/Consulting Services (SSS)	
16	Decisions concerning abnormally low bids	
17	Draft contract	
18	Minutes of negotiation at award for consultancy services (where applicable) or when using DC for Goods/Works/NCS	
19	Rejection of all bids/proposals and cancellation of the procurement procedure	
20	Failure of negotiations and proceeding to next ranked consultant	
21	Proceeding to next ranked bidder if top ranked fails to sign the contract in Goods/Works/NCS	
22	Determination to reject a bid/proposal because of cross-debarment	usually as part of steps 13, 14 or 15
23	Amendments to contracts exceeding 10% in value (increase/decrease in quantities as a result of evolutionary changes). Additional unforeseen new items exceeding 10% of the contract value is a new procurement subject to Single Source/DC conditions.	
24	Extension of time to contracts exceeding 25% of the original	

	contractual duration in Goods/Works/NC Services/Consulting Services	
25	Termination of a contract in Goods/Works/NC Services/Consulting Services	

62. Notes:

- For prior-review procurements, all protests, submitted by bidders to the borrower/recipient as a result of a Notice of Intent to Award, must be communicated to IFAD before a decision on the complaint is issued. IFAD reserves the right to provide inputs or comments to the borrower/recipient to help it reach the decision. A copy of the decision must also be provided to IFAD.
- IFAD requests for prior review and no objection shall be carried out through the OPEN System.
- All contracts, Agreement Memorandums, purchase orders and related payments must be recorded and updated periodically in the Contract Monitoring Tool (CMT) of the IFAD Client Portal (ICP).

h. SECAP Risk Associated With Project Procurement

63. The Project is classified with substantial SECAP risks. IFAD will review SECAP risk management through supervision missions to be carried out each year.

64. SECAP risks include impacts in the areas of biodiversity conservation, resource efficiency and pollution prevention, cultural heritage, indigenous peoples, labour and working conditions, community health, safety and security, and physical and economic resettlement. A SECAP risk associated with project procurement matrix has been developed as a guidance note for the PMUs and Procurement Officer (Appendix 1).

i. Contract Monitoring and ICP-CMT

65. PMUs will establish contract management procedures and contract management forms for monitoring progress against Time, Cost, Quality and Scope of the signed contracts for Goods, Works and Services. The contract management procedures shall follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 50/2021/ND-CP amended the Decree 37/2015/ND-CP, Decree 15/2021/ND-CP on management of investment projects, and Decree 06/2021/ND-CP on quality control of construction works.

66. According to IFAD regulations, Thanh Hoa and Nghe An PMUs will be responsible for entering all contracts, Memorandum of Understanding, purchase orders and related payments must be recorded and updated periodically in the Contract Monitoring Tool (CMT) of the IFAD Client Portal (ICP - IFAD Client Portal). The CMT will provide an overview of the Project's contracts, including the contract status (closed, completed, under implementation, cancelled) by value, by number, and by sources of financing, contracts where physical implementation delayed, and comparison of physical implementation to payments on contracts.

67. The contract data will be periodically reviewed and updated by PMUs to monitor the implementation progress and for reporting.

j. Record Keeping

68. All the procurement records are preferable to be kept in digital format or hardcopies at Thanh Hoa and Nghe An PMUs and made available for the post reviews, internal and

external audits, and inspections. Procurement and contract documents should be kept in a separate folder for each contract. The records to be retained include:

- Procurement Plan;
- REOI, EOIs, EOI evaluation reports;
- Bidding document, request for quotation, request for proposal;
- In the case of IFAD prior review, all submissions and correspondence in relation to the seeking of IFAD's no-objection;
- Advertisement/Procurement Notice posted on newspaper and/or relevant public media, websites;
- List of Bidders/Consultants who received bidding document or request for quotation or request for proposal;
- All bidding documents, quotations, and proposals submitted by the Bidders/Consultants;
- Minutes of bid opening including the list of Bidders/Consultants who submitted bids, quotations proposals;
- Bid/Quotation/Proposal evaluation reports;
- Approval of the bidding result;
- Notification of contract award or purchase order;
- Signed contract with Contractor/Supplier/Consultant and any contract amendments;
- Evidence of bid security returned to the Bidder;
- Progress reports for work contract and completion certification; delivery certificates of goods contract; consultancy reports;
- All contractual correspondence between the procuring entity and a supplier, contractor or consultant;
- Invoices and Receipts from Contractor/Supplier/Consultant;
- Complaints received and responses of resolutions, if any;

69. All other documents are concerned with the procurement process and contract implementation.

k. Rights and Responsibilities

70. Provincial People's Committees (PPCs)

- Perform the duties of the investment decision-making body as regulated by law.
- Approve the AWPB and the procurement plan of the project.
- Settle petitions in procurement, handle violations of the Procurement Law, and other provisions regulated by law.
- Cancel, suspend the bidding or not recognize the evaluation results when detecting violations of the Procurement Law or other provisions regulated by law.
- Conduct the inspection, supervision, and monitoring of the bidding process and contract implementation.

71. Investment Owner

- Prepare detailed plans and approve the cost estimates of activities after the AWPB and annual procurement plan are approved by authorities.
- Prepare a procurement plan for each package or group of packages and submit them to the competent authority for approval.
- Establish a Bid Evaluation Committee (BEC) and appraisal committee.
- Prepare, appraise, and approve Bidding Document (BD), Request for Proposal (RFP), Request for Quotation (RFQ), and Term of Reference (TOR).
- Organize bid openings, evaluate the bids/proposals, appraise and approve evaluation results, and notify the contractors of the selection results.
- Finalize and sign the contract with the selected bidder.
- Handle situations arising in the bidding process and contract performance.
- Monitor and supervise the process of contract performance, acceptance, payment and final project settlement documents according to regulations.
- Comply with Article 14, Chapter II of Decree No. 06/2021/ND-CP issued 26/1/2021 on the management of construction quality and maintenance of construction works.
- Hand over the outputs to the beneficial organization or individual, and monitor the process of use, operation, warranty, defects liability, and maintenance.

72. Lined Provincial Departments

- Play the roles of appraisal if assigned by the Provincial People's Committee.
- Appraise the AWPB and procurement plan.
- Coordinate with Thanh Hoa and Nghe An PMUs implementing the approved AWPB and procurement plan.

73. District People Committees (DPCs)

- DPCs coordinate with district divisions and Communal People's Committees (CPCs) in the project area in implementing project activities and clearing construction sites.

74. Communal People Committees (CPCs)

- Mobilize households to prepare clean land before the construction.

3.8. Annual Work Plan and Budget (AWPB) and Procurement Plan (PP)

75. See details in Annex 6 and Annex 7.

76. **Principles.** The AWPB guides implementation and identifies activities required to achieve the Project objectives. The AWPB follows the fiscal year, in line with the PPC's planning cycle, from January to December. The AWPB includes a detailed description of the planned activities and required budget and describes how activities will be implemented. All project expenditures are incurred in accordance with approved AWPBs and project performance is assessed against the implementation of the AWPB. The AWPB will be informed by an assessment of current implementation progress and will describe the strategic direction of the project for the coming year along with clear expected results (targets) under each component, sub-component and activity, and a corresponding procurement plan.

77. **Preparation and approval process.** Building on the experience of other IFAD projects in Vietnam, the Annual Work Plan and Budget (AWPB) will be developed through a participatory process from Communes, Districts to Province level, undertaken from July to September during dialogues and meetings organised by the project, and will aim at identifying the sequencing of implementation of key interventions such as infrastructure schemes, VCAPs, CSA trainings and support, in the different target areas, based on beneficiaries' needs and priorities, and ensuring equity and empowerment of women and youth in the planning and decision-making processes. PMU leads the consolidation of inputs and the preparation of the documents. Approval of AWPB as well as any subsequent amendment follows the same process: PMU submits the AWPB to PSC for review and approval during their quarterly meeting, then submits the approved AWPB to IFAD's No Objection before the beginning of the year (or anytime during implementation for AWPB revision). Upon IFAD's No Objection, the PPC will finalise and approve the AWPB for immediate implementation. Furthermore, the PPC is responsible of sharing the project's AWPB for inclusion in MPI's Medium-term Planning, which allocates counterpart finance to all ODA projects at the beginning of the year based on the previous year's disbursement performance and is in charge of liaising with MOF to ensure a timely provision of ODA resources against the approved AWPB.

78. No withdrawal of funds shall be made from the Loan/Grant Accounts until the AWPB has been approved. If required, the PMU may revise the AWPB half yearly.

AWPB outline

The AWPB will have three sections: (i) a narrative section (Word document) describing the results of the previous year and the activities planned for the upcoming year; (ii) a detailed budget (Excel document) including individual and sequenced number for each activity, sub-component and component, specified units and targets to be achieved, implementation timeline per quarter, and expenditure category, costs and financiers aligned with the Project's COSTAB; (iii) a Procurement Plan (separate document). The outline should include the following:

- (a) Executive summary
- (b) Summary project description
- (c) Summary of implementation to date and achieved results
- (d) Proposed strategic priorities for the upcoming year
- (e) Description of expected results and activities (per component)
- (f) Implementation constraints and risk mitigation
- (g) Budget summary (per financier, per component and per expenditure category)
- (h) Detailed table per implementing agency and summary by project activity

79. The draft AWPB and 18-month Procurement Plan will be reviewed and finalised by the PMUs based on the Project Financing Agreement, the Letter to the Borrower and the final Project Design Report.

3.9. Monitoring and Evaluation, and Reporting

80. **Principles.** The objective for Project Monitoring and Evaluation (M&E) will be the ongoing real-time assessment of the processes employed in the project activities as well as their outputs, outcomes and impact with respect to the Project's development objective and goal. As such, M&E is a key instrument for results-based and adaptive management. Up to date information from the project M&E system will inform the PSC and other stakeholders on implementation progress, for a realistic planning and budgeting of project activities every year. The project's Management Information System (MIS) and all M&E approaches, tools, and methodologies to collect and analyse data will be harmonized between the two PMUs. The M&E system will be participatory, gender sensitive and results-oriented while enabling the integration of physical and financial progress reporting.

81. **Physical progress monitoring.** PMUs will monitor and track the progress of each activity and output of each sub-component and component on a regular basis and enter the data into a dedicated project's MIS database, compliant with the reporting requirements of Government, IFAD and other donors, as applicable, and bilingual to facilitate both use and audit. District level M&E officers will support data entry and validation in the MIS database, using data collected from local level implementers. Outreach and output data are directly collected from project service reports (e.g. attendance lists for meetings, trainings and workshops, registration forms and list of beneficiaries), and the project will keep all original records at the sub-PMU level as well as a printout and a digital copy at the central PMU. The MIS database will capture and record all necessary data, meta data (how and when the data was generated), intermediate indicators (e.g. disaggregation between rehabilitated infrastructure and new construction, disaggregation between each specific CSA models and training topics, etc.) and aggregated indicators (to feed into the Logframe) relevant to the different project activities (e.g. specific details on project beneficiaries, infrastructure schemes, CIEWS, 4P platforms, etc.), allowing to systematically follow up on any changes during implementation (beneficiaries dropping out, infrastructure schemes delayed or rescope, cooperative size increasing or decreasing, etc.).

82. The PMU is responsible for consolidating the MIS database and generating reports. The Project MIS will be based on the system developed by other ongoing IFAD-funded project (CSSP, CSAT), customized for the specific needs of CRWIS project and improved to facilitate aggregation of data and include a dashboard for quick progress monitoring. The database will enable progress to be tracked for all activities undertaken by the project, in terms of processes and results, and will be maintained up to date to enable efficient preparation of progress reports and planning. The project will prepare quarterly reports on outputs achieved, regularly report results to IFAD's Operational Results Management System (ORMS) and ensure up to date information is made available prior to IFAD's Supervision and Implementation Support (SIS) missions.

83. PMUs will undertake **AWPB-based progress monitoring** and regularly report on implementation progress of each activity in the AWPB against their specific target and the planned timeframe. Coherence between AWPB and implementation will be assessed annually during the Project Supervision Mission. The basic task will be to regularly note down, activity by activity, how much progress has been made, what has been achieved, comments and whether any special action is required. In order to do this, the files used during AWPB preparation will be modified and distributed to the various implementing agencies at local levels for respective monitoring. The modification will consist of protecting the planning data and adding a number of columns for recording progress information. In principle, the district level M&E specialists in close collaboration with any

designated subject matter specialists (infrastructure, CSA, environment, social inclusion) as well as focal persons from each of implementing partners will be responsible to collect and submit data for input into the MIS. M&E systems should also support the implementation and monitoring of SECAP related activities, including progress reports on FPIC consultations, and digital records of the GRM – disaggregated by commune (to track how many lodged in a month, how many addressed, how many open, typology of grievances, typology of stakeholder – if feasible (project beneficiary farmer, indirect stakeholder, gender, etc.)).

84. The progress information will be carefully analysed by the M&E Specialist of the PMUs. The analysis will seek to identify any implementation constraints to be addressed by the project management. The same information will be used to prepare quarterly, half yearly and annual reports, which will contain the full tables with detailed, activity by activity progress information. Reports will provide information such as (i) overview of intervention activities undertaken in the last quarter and cumulatively over the fiscal year; and: (ii) progress and outputs in terms of the agreed M&E indicators, provide lessons learnt, and knowledge gaps identified. The reports will also seek to identify any constraints encountered to seek guidance (where needed) from Project management for addressing these constraints.

85. **Outcome and impact monitoring.** The focus of impact assessment will be on the Project's overall goal to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socioeconomic development in Thanh Hoa and Nghe An provinces" and the Project Development Objective to "Catalyze climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods." Relevant indicators have been specified in the Project Logframe (Appendix 5) and targets have been quantified. The indicators relate to the output, outcome and impact levels and include IFAD Core Indicators (CI) as well as project-specific indicators. This is based on the Theory of Change and demonstrates the logical links between the results at their different levels, thereby enabling the meaningful analysis of whether the project is on track towards achieving its planned results.

86. Indicators for the overall project goal, objective and outcomes will include the following:

- (a) Smallholder households reporting increased resilience to climate, environmental and economic shocks;
- (b) Smallholder households reporting increased income from targeted agricultural value chains;
- (c) Households reporting they can influence decision-making of local authorities and project-supported service providers (CI SF 2.2);
- (d) Households reporting an increase in production (CI 1.2.4);
- (e) Households satisfied with project-supported services (CI SF 2.1);
- (f) Households reporting reduced water shortage vis-à-vis production needs (CI 1.2.3);
- (g) Households reporting improved physical access to markets, processing and storage facilities (CI 2.2.6);
- (h) Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment (CI Policy 3);

- (i) Individuals demonstrating an improvement in empowerment (CI IE 2.1);
- (j) Persons with new jobs/employment opportunities (CI 2.2.1);
- (k) Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI 3.2.2);
- (l) Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities (CI 2.2.3).

87. Through its intended results, CRWIS will contribute to the reporting of the 2019-2025 COSOP's milestone and outcome indicators for SO1 and SO2 as follows:

- (a) Income increase for smallholder producers from targeted value chains;
- (b) Decent jobs created for women, men and youth;
- (c) Number of ethnic minorities and low income men and women adopting climate-smart sustainable technologies;
- (d) Income increase among ethnic minorities and low-income smallholder families;
- (e) Number of contracts between rural producers / cooperatives and private companies established;
- (f) Number of rural enterprises accessing business development services;
- (g) Number of rural producers accessing production inputs and/or technological packages;
- (h) Number of ethnic minorities and low-income smallholders trained on climate-smart and natural resources management practices;
- (i) Kilometers of roads constructed, rehabilitated or upgraded;
- (j) Hectares of land brought under climate-resilient management.

88. A comprehensive baseline survey will be carried out during the first implementation year (quarters 2 and 3) to provide benchmarks that will guide the impact monitoring.

89. To assess the effect of project services (e.g. households women reporting an improvement in empowerment, households reporting increased resilience to climate shocks), CRWIS will collect data will from regular project surveys (baseline, midterm and endline) and thematic studies, as well as from official survey reports generated by relevant Departments (e.g. annual crop production from DARD, annual poverty rate from DOLISA, disaster reports from DONRE).

90. A midterm survey will inform the Mid-Term Review to be held during year three to understand progress made against the project's development objective and allow timely adjustments as it may be required.

91. The endline survey will feed into the project completion at the end of the implementation period.

92. Baseline, midterm and endline surveys shall be compliant with IFAD's Core Outcome Indicators (COI) guidelines, include selected COI indicators and questionnaire relevant to the project's results framework, and must follow the same methodology. PMU will give specific attention to indicators related to mainstreaming commitments (gender and youth empowerment) and will submit the methodology and proposed survey sample for IFAD's No Objection. Surveys will be outsourced through contracting however PMUs

will be responsible for overseeing their implementation and ensuring timely delivery of survey results.

93. Thematic studies could be undertaken from year three to six and will serve to analyse the progress of the project, review the key interventions and generate evidence on effectiveness and impact.

94. **Key M&E documents.** A glossary of MIS and LogFrame indicators will be developed at start-up, clarifying the exact meaning of each indicator (in particular the IFAD Core Indicators) in the specific context of CRWIS and specifying the methodologies to be applied by the two PMUs during project implementation. This glossary, the detailed MIS structure and the M&E plan will be discussed and validated during a dedicated M&E workshop with all implementing partners that have M&E responsibilities.

95. During the first Implementation Support Mission to be fielded shortly after project start-up, the Project M&E framework will be developed to guide M&E processes within the project, and the M&E plan will be set up. The M&E framework will detail the scope, organisation, and content of the M&E system; the roles and responsibilities; a plan for data collection, analysis, reporting, use and management; the timeline for M&E-related activities; the staffing and capacity building plan; and the budget, in line with the Project COSTAB.

96. **M&E responsibilities of different stakeholders.** The monitoring and evaluation function of CRWIS will involve key personnel at different levels. Evaluations will be undertaken by independent experts or consultant firms under the supervision of the M&E staff of the PMUs. Other Project staff will work together with the M&E Specialists to identify lessons learned from evaluations and apply them to improve project management and implementation.

97. The PSC will be responsible for providing guidance, review and approval of the AWPBs as well as the annual progress reports and audit reports. The PPC will monitor the overall operations for planning and facilitation purposes for the implementation of project activities and for the attainment of CRWIS objectives and provide guidance to all respective departments involved in the Project to adopt and follow appropriate monitoring mechanisms, processes and procedures put in place. The PMU will be responsible of the overall monitoring and evaluation of the project, supporting the district level sub-PMU, compiling data, consolidating reports, and coordinating the M&E function at different levels. District level staff at sub-PMU levels will be responsible of data entry and validation into the MIS database, using the information collected by different local level implementers, as well as monitoring and supervising the day-to-day implementation of activities at district level. Local level implementers (communes, villages, relevant implementing partners) will be responsible for monitoring the implementation of activities, updating physical records and providing regular inputs for the MIS database.

98. **M&E capacity building plan.** The Project will provide capacity building to all M&E staff at PMU and sub-PMU levels as well as co-implementing agencies at local level (e.g. DARD's Centre for Extension Services, Farmer Union, Women Union, Cooperative Alliance) to ensure effective use of MIS database and reliability of collected data. IFAD Country Office will also ensure regular backstopping and training of PMU on several aspects including M&E. M&E capacity building will take place during the first three years of implementation, and a refresher training will be undertaken in the last project year to support closure activities. Additionally, the Project will provide technical assistance to support the PMUs in undertaking the SECAP studies and specific trainings to all relevant

stakeholders on implementation of all agreed environmental and social safeguards as per SECAP requirements.

99. The following M&E budget will be reviewed and finalised by the PMUs based on the Project Financing Agreement and the Project Cost Tables in the final Project Design Report.

M&E budget item	Description	Implementation					
		PY1	PY2	PY3	PY4	PY5	PY6
M&E staff	1 M&E staff per PMU	X	X	X	X	X	X
Technical assistance	TA for SECAP	X	X				
Quantitative surveys	Baseline, midterm, endline surveys	X		X			X
Other studies / surveys	Impact assessment and thematic surveys			X	X	X	X
	SECAP studies	X	X		X	X	X
M&E training	Capacity building for M&E staff and for district and commune staff	X	X	X			X
	Training for stakeholders on SECAP		X	X	X	X	X
MIS	MIS set up	X					
Workshop	Start-up workshop	X					
Audit	Audit (twice a year)	X	X	X	X	X	X
Equipment and materials	Office equipment (photocopy machines, laptops, printers, projectors, etc.)	X					

*total cost including contingencies

3.10. Project Target Group Engagement & Feedback and Grievance Redress Mechanism

100. **Project Target Group Engagement and Feedback.** The targeting strategy describes how CRWIS will reach out to its target groups. The participatory planning process builds the starting block for active participation of CRWIS target groups and project stakeholders in the VCAP. The promotion of common interest groups is a key element to self-targeting i.e. to include as much as possible poor and vulnerable people. The Free Prior Informed Consent (FPIC) and Ethnic Minority Plan (EMP) will ensure feedback mechanism where demands, concerns and risks are voiced and risk mitigation measures developed. Transparency is key in CRWIS. All decisions under CRWIS will be published to attract participation and enable expression of dissents.

101. **Grievance Redress Mechanism.** The current grievance redress mechanism will be strengthened in line with relevant Vietnam's laws and regulations. The project grievance mechanisms will be two tiered. Tier 1 is internal and targets the communities concerned and tier 2 involves third-party/external mediation. CRWIS will empower Grievance Redress Committees from villages/districts to provincial levels upwards and link across departments, FU, WU and ethnic minorities representations. At the village level, the present grievance mechanisms is chaired by elder and/or spiritual/tribal leaders, which are largely accepted by local communities, particularly the ethnic minority groups.

102. The grievance redress mechanism targets individuals or groups who are directly or indirectly affected by the project, as well as those that may have interests in a project and/or have the ability to influence its outcomes, either positively or negatively. The project will strengthen existing structures and make it widely known to the communities and project parties in order to enhance awareness and to ensure an effective and efficient handling of grievances during project implementation and beyond. The provincial PMU must properly document all complaints and grievances, with copies filed at commune and district levels.

103. If the affected peoples are not satisfied with the process, compensation or mitigation measures, or any other issue, the people themselves or their representatives or village leaders can register their complaints to the PPC or to the PMU. All grievances will be addressed promptly, and in way that is culturally appropriate to the affected peoples. The complainant is exempted from covering any costs associated to the complaints. PMU and independent monitoring consultants are responsible for monitoring the progress of the complaint resolution. All cases must be recorded in PMU project files, and be reviewed regularly by independent monitoring consultant.

104. Further guidance on project-level Grievance Redress Mechanism are provided in the Stakeholder Engagement Plan, the FPIC Implementation Plan and the Ethnic Minority Plan (Indigenous Peoples Plan) completed at design as part of the required SECAP studies.

3.11. Knowledge Management

105. Learning and KM will be carried out throughout execution and will be a central part of the project approach. The project will promote knowledge transfer to water users in operation and maintenance for irrigation and flood control, sustainable water use, water regulation, conflict management, group communication. The project will generate evidence and carry out extensive baseline assessments through feasibility and technical studies on integrated water management, gender norms assessment, climate information and early warning systems, agricultural value chains and production models mapping. Updated disaster risk maps (flood, drought, saline intrusion) and regular information from water monitoring systems will be generated, analysed, packaged, and disseminated to a wider audience in the target Provinces. Briefing notes, action plans and strategies will be generated through the multi-stakeholder platforms established for integrated water management and value chain development and will be feeding into the Socio-Economic Development Plans at Commune, District and Province levels and support institutional coordination and planning. To promote adoption of sustainable water management and climate smart agriculture technologies and practices, rooted in individual and community behavioural change, learning and KM will be strengthened through extension services, trainings, exchange visits, peer learning, awareness campaigns and trade fairs.

106. PMU will develop a comprehensive Knowledge Management and Communication (KMC) Strategy during the early implementation stage, anchored in the M&E system and integrating elements from the Gender and Youth Action Plans. Subject to the availability of grant financing, PMUs could benefit from a dedicated international technical assistance to support KMC Strategy development. The document will be consolidated at the project level to ensure harmonization of approaches and foster knowledge transfer. Experience and best practices of similar projects in the country and the region will be considered to enhance learning, KM and communication. The project will support capacity building for systematic learning and knowledge management in CPCs, DPCs, FU, WU, CA, DARD, DONRE, and other relevant stakeholder institutions.

107. In terms of resource allocations, counterpart funds will be financing critical feasibility studies and safeguard requirements and will contribute salaries and allowances for M&E staff at PMU and sub-PMU levels, operational costs for project management and regular monitoring of project activities at all levels. IFAD country office will provide support to PMU for setting up MIS database, reviewing key project documents (PIM, M&E plan, KM plan, AWPB, PP, GAP), and building capacity of M&E staff at PMU and sub-PMU levels. Grant co-financing will be mobilised to implement M&E and KMC plans and cover activities such as baseline and follow-up surveys, thematic studies and impact assessments, KM and social inclusion officer salaries and allowances, capacity building of grassroots institutions co-implementing project activities, and development and dissemination of KM products.

108. The following KM budget will be reviewed and finalised by the PMUs based on the Project Financing Agreement and the Project Cost Tables in the final Project Design Report.

KM budget item	Description	Implementation					
		PY1	PY2	PY3	PY4	PY5	PY6
Feasibility and technical studies	Feasibility Study and Hydrological analysis to support detailed designs of water infrastructure	X					
	Feasibility studies for river monitoring systems		X				
	Technical studies and mapping of actors in water management	X					
	Mapping and assessment of agricultural models and feasibility assessment of CSA	X					
	Value chain, market and climate studies	X	X				
Technical assistance	TA for supervision of infrastructure works		X	X	X		
	TA for training beneficiary communities of water infrastructure		X	X	X		
	TA for environment, land compensation and resettlement		X	X	X		
	TA for developing interactive hazard risk maps	X	X				
	TA for developing tailored materials on CSA models		X				
	TA to mobilize NTP resources		X	X			
	TA for value chain action planning		X	X	X	X	X
	TA for knowledge management	X					
Trainings	Capacity building on infrastructure O&M			X	X	X	X

	Capacity building on digital technologies for CIEWS		X	X	X	X	X
	Capacity building on tailoring agricultural advisories				X	X	X
	Business Development Services coaching	X	X				
	Capacity building of rural extension and advisory service providers		X	X			
	CSA trainings for farmers and producer organisations		X	X	X	X	X
KM products	Development and dissemination of KM products, organisation of thematic workshops	X	X	X	X	X	X
	Development of digital tool for large-scale and timely dissemination of early warnings and climate information		X				
	Production and dissemination of printout hazard risk maps		X			X	
	Development of rules and regulation on water use	X	X				
	Development and dissemination of CSA documentation	X	X				
	Development and dissemination of documentations on rural extension and advisory services mainstreaming CSA		X				
	Awareness and communication events on adaptation to climate change and disaster risk management			X			
	Facilitation of market linkages and matching events	X	X	X	X	X	
Workshops	Thematic workshops for dissemination of project results			X	X	X	X
	Validation workshops for CSA selection	X					
	Value chain action planning process		X	X	X	X	X
Study tours	Study tours and cross visits to support selection of CSA models at district level	X					
	Study tours and cross visits on CSA implementation at			X		X	

	provincial level						
Policy engagement	Contribution of CRWIS to policy engagement	X	X	X	X	X	X

*total cost including contingencies

3.12. Sustainability

109. In order to ensure its sustainability, the project shall prepare for IFAD no objection, PSC approval and implement a Project Exit Strategy. This Strategy aims at the following objectives: a) enhancing effectiveness and sustainability of project interventions and values during and after project implementation and; b) potential scaling out/up project experiences and lessons to advocate government strategies and policies in agriculture and rural development. To achieve these objectives the project exit strategy should apply the following principles:

110. **Alignment with national ARD strategies and policies for 2021-2030.** The design of CRWIS is the project exit strategy itself since the project is fully designed to serve the national policies and programs, in particular the following: (i) The Government issued the Agricultural Restructuring Plan (ARP) for the 2021-2030 period; (ii) The National Target Program on New Rural Development (NTP-NRD) for the 2021-2025 period to which IFAD provided with technical assistance project is very successfully implemented and being proposed for extension up to 2025. Under the NTP-NRD the One Commune One Product program (OCOP) being implemented since 2018 is the first national initiative in developing value chains of agriculture in Vietnam. The Government has also launched the National Target Program for Ethnic Minorities Development (NTP-EMD) for 2021-2030 aiming at the SDG – “no one left behind” targeting the areas where the ethnic minority people live. All these national programs under the Socio-Economic Development Strategy 2020 – 2030 (SEDS) and Socio-Economic Development Plan 2021-2025 (SEDP) for Vietnam aim at developing sustainable agriculture and rural development, increasing added value, efficiency and competitiveness of the sector, improving livelihood of farmers, contributing to poverty reduction and environmental protection. In particular, the ARP has emphasized the development of three groups of key agricultural commodities, i.e. national products, provincial products, and local specialty products. Accordingly, each province must develop a specific implementation plan, with policies and solutions, to develop climate-smart agriculture value chains. NTP-NRD, OCOP and NTP-EMD are resources for implementation of the ARP, promoting value chain linkages, linking production with product consumption and innovating production organization in agriculture. In addition, the Government has also issued mechanisms and policies to attract enterprises to invest in agriculture and rural areas and policies to encourage cooperation and linkages in the production and consumption of agricultural products . More policy and institutional analysis on how CRWIS will be aligned with the national strategic framework to ensure its impacts and sustainability could be found in the working paper number xxx.

111. **Institutional capacity building for Government agencies to continue innovation up-scaling after the project completion.** When aligning with the national strategy and programs, an action plan for the CRWIS exit strategy is prepared by the PMUs for approval by the PSCs and IFAD. The exit strategy action plan is consisted of the following phases: (i) Government agencies will undertake positions of co-implementing agencies which will start pilot implementation of innovative approaches, and then (ii) evaluate, consolidate and upscale these innovative approaches/models through NTPs and other donor-supported programs and projects; and finally (iii) organize policy

engagement activities contributing to institutionalization of the innovative approaches/models.

112. CRWIS will develop their capacities and assist the DPI, DARD, DONRE, DOIT in integrating climate change adaptation and agriculture value chain action plans into the next Five-year Socioeconomic Development Plans (SEDPs) for the project provinces. The project supports for building capacities of DARD to: (i) formulate and/or update VCAPs for priority commodities in each Province (e.g., rice, coconut, fruits, aquaculture, livestock); (ii) strengthen the Provincial Climate Change Adaptation Plan and the Provincial Agriculture Sector Restructuring Plan for the period 2021-2025.

113. **Beneficiary empowerment and farmer's organization capacity building.** The project exit strategy will strictly follow the newly-issued Operational Manual for IFAD Engagement in Pro-Poor Value Chain Development. Mainstreaming participation of the poor and the smallholders in agriculture value chains that can benefit the vulnerable groups are the key strategic activities of the project exit strategy. Human resources development support especially focusing on the youth and disadvantaged women will be its essential part.

114. Sustainable development of farmer's organizations namely the cooperatives is the major objective of the project exit strategy. Throughout the CRWIS implementation, the project shall focus on demonstrating an inclusive, equitable and sustainable value chain approach that could be up-scaled and institutionalized through the NTPs.

115. **Adequate resources budget for project M&E, knowledge management and policy engagement.** The exit strategy on scaling up dimensions will be successful if adequate budget and human resources are allocated by the PSCs and PMUs. The exit strategy should build synergy with other interventions of the IFAD country program, in particular the IFAD grant projects with policy research institutions which would co-organize and co-finance for analytical works, technical assistance, impact assessments, and policy dialogues. Partnerships between the province-level CRWIS implementation agencies and the central policy makers such as the IPSARD under MARD, CIEM under MPI will allow a process of knowledge capturing, sharing and policy influence to explore scaling up of best practices derived from the project. Engagement of the national level stakeholders as drivers to replicate and scale up the effective and innovative ideas and experiences derived from CRWIS.

116. In order to successfully implement the above-outlined project exit strategy, best efforts and adequate resource provisions should be made throughout project implementation. Among others, it will be important for PSC members and PMU staff to comprehend and appreciate the project strategy and its key design features as mentioned here. Project management staff trainings and exchange visits between the two PMUs shall be regularly conducted, especially during the project start up and MTR. Adequate budget for project M&E and knowledge management should be made available. The project management should utilize any unplanned opportunity which may arise as requested by the Government central agencies or IFAD Country Office to engage and cooperate with development partners and policy makers.

IV. Project Implementation Arrangements

Start Up

117. Each PPC/PMU will develop a work plan and the associated budget for preparatory activities and liaise with IFAD to organize a start-up workshop. Such preparatory activities could include:

Action	Who
a) Sign the financing agreement (following IFAD Executive Board approval)	GoV/PPCs/IFAD
b) Recruitment of additional/specific PMU officers	PPCs in consultation with IFAD
c) Open Designated Accounts and identify signatories (ID and signature specimen).	PPCs
d) Sign MoUs/Memoranda of Cooperation between the PPCs and relevant implementation partners specifying the expected responsibilities and outcomes.	PPCs/Implementation Partners
e) Review and finalise the first year AWPB and the 18 months Procurement Plan	PMUs
f) Review and finalise draft PIM	PMUs
g) Review the ESCMF and SECAP requirements with action plan for following-up	PMUs
h) Establishment of the Project Steering Committee in each province. Agree on how to proceed with the provision of the oversight function (frequency and modality of meetings)	PPCs
i) Hold the official CRWIS Project start-up workshop. This would be used to orient the	PPCs/IFAD
j) Initiate the process of undertaking of the CRWIS Project baseline survey	PMUs
k) Initiate the process to plan and undertake necessary procurement to hire consultancy services for the sub-projects feasibility studies and detailed designs	PMUs

Component 1. Improved water availability and control through climate-resilient infrastructure development

118. Component 1 will improve water availability and control in climate-vulnerable agricultural areas through the rehabilitation and upgrade of critical infrastructure and in turn strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces.

119. Irrigation enables smallholder farmers to extend the growing season and to produce crops all-year long, increasing availability and affordability of diverse foods on markets. By investing in irrigation schemes construction, modernization or rehabilitation, this subcomponent aims to support rural communities to sustainably raise and stabilize their agricultural productivity and annual income, and enhance their resilience to food insecurity, the effects of climate change and economic shocks.

120. The project will undertake the rehabilitation of water infrastructure (mainly, pumping stations, main and secondary irrigation canals (I and II)) in both Thanh Hoa and Nghe An provinces for improved irrigation water supply, water conservation and climate resilience. The project will coordinate and provide capacity development to Government-led rehabilitation programmes under NTP NRD targeting on-farm irrigation canals (III and IV) for improved farm level water management and irrigation. This includes gender-responsive capacity building of water users' entities in sustainable and

climate-informed community-led water management and maintenance of infrastructure (under Sub-Component 2.1), and improved prevention and control of floods, droughts, saline intrusion, and river erosion. In Thanh Hoa province, the project will undertake the rehabilitation of critical sections of river dikes for flood and saline intrusion protection; and rehabilitation of on-dike roads for strengthened flood protection, connectivity as well as improved access to markets in both provinces.

121. The assets benefitting from CRWIS interventions are public, with management delegated to cooperatives or publicly owned/financed irrigation companies. The main infrastructure (Headworks and main network) rehabilitation/upgrade will fully be financed by IFAD loan, while Operation and Maintenance (O&M), including repair and replacement, will be funded by the PPCs/counterpart funds. At farm level, site specific necessary small-scale interventions (e.g. rehabilitation of earthen tertiary canals; development of field drainage, land levelling, etc.) will be financed by the provinces through mobilization of adequate resources from the relevant National Target Program (i.e. NTP-NRD), while O&M at farm level will continue to be ensured by beneficiaries, through the various water users' entities whose capacity will be strengthened by the project through the counterpart funds. The project will develop adequate hand-over procedures during its implementation and will ensure a smooth asset management transfer and handing over to beneficiaries and will empower communities and strengthen farmer level institutions such as cooperatives, Water Users' entities for sustainable management, operation and maintenance of water related infrastructure.

122. Whilst the range and potential scope of more innovative business models for small scale irrigation infrastructure is generally speaking more limited within the institutional context of Vietnam, for irrigation and water related systems such as these, calculation of return on investment should naturally consider irrigation as the primary use and market integration to support system reinvestment, but also consider a business model that supports multiple uses of irrigation investment multiplying the overall benefits. The infrastructure designed under CRIWS is suitable for multiple purposes, and it is important to consider health and environmental outcomes and an overall reduction in the time that farmers spend on non-productive activities, freeing up their time for other productive uses and caregiving.

123. To enforce economic sustainability, the project focus will be on reducing external investment as much as possible, and through strategic integration with Component 2 match the economic capacity of the communities and be supported by farmers, local and provincial authorities. The project will ensure through the capacity building elements and institutional strengthening of the Nationally Targeted Programmes that farmers have the knowledge and capacity to improve irrigation-scheme productivity, sustainability, strengthening the knowledge and technical expertise of the communities will allow farmers to identify and adopt appropriate technologies and demand more climate change contextual and supportive policies from government. The business model for sustainability will therefore be housed in the critical linkages between components 1 and 2 and include harmonizing the infrastructure with overall governance and business linkages (developed through component 2.2 4P approach) so that small-scale irrigators can be successfully integrated into the market and the broader economy such that they become profitable and food secure. By ensuring these factors the farmers of Nge Anh and Thanh Hoa will have the ability and willing to pay for scheme maintenance and to contribute sufficient labour to properly maintain the infrastructure.

Sub-Component 1.1. Improved access to and efficiency of irrigation for smallholders

124. In Nghe An Province, 60 pumping stations will be replaced, rehabilitated or upgraded, 121 km of main and branch irrigation canals (I and II) will be lined and more than 98 km of on-farm canals (III and IV) will be upgraded to (i) supply irrigation water to 8,326 ha, benefitting 138,606 beneficiaries (35,618 HHs); and (ii) improve water use efficiency and water productivity, contribute to increasing and stabilizing agricultural productivity, and increase farmers' resilience and adaptive capacity to climate shocks. Additional 1,394 ha (Appendix 6.C) of irrigated areas (669 ha in Con Cuong and 725 ha in Anh Son districts) benefitting around 6,000 HHs (23,200 beneficiaries) can benefit from CRWIS investments in terms of rehabilitation/upgradation works if the project financing gap is filled. While the canal lining/concretisation will contribute to climate resilience by reducing water losses and make it easier for communities to maintain III and IV on farm canals (potentially by reducing the frequency of dredging needed), the upgrade and/or shifting of pumping stations is a response to climate change and other development stressors on the river basins resulting in inefficient and insufficient irrigation water pumping. These pumps will operate on hydroelectricity and are not expected to increase GHG emissions; while options for solar pumps were discussed, such systems are not practical in the project context.

125. The 60 identified pumping stations and their water delivery canal networks identified for rehabilitation consist of: 1 pumping station in Cong Cuong allowing to irrigate up to 114 ha, 4 in Anh Son (505 Ha), 9 in Do Luong (1555 ha), 22 in Thanh Chuong (2387 ha), 14 in Nam Dan (2986 ha) and 10 in Hug Nguyen (779 ha). These schemes will be upgraded to serve 8,326 ha of fully irrigated command area over 6 of the target project districts and 38 target communes. Currently, the existing defunct schemes (60) are managed either by state irrigation companies (4 companies managing 22 schemes) or by the cooperatives themselves (38). A full monitoring and supervision system will be developed at all levels, i.e. province, district and commune/community level to ensure high quality of construction and timely resolution of challenges and delays.

126. In parallel to primary infrastructure, the project will identify gaps and provide capacity development to Government-led rehabilitation programmes under NTPs-NRD targeting the implementation of at least 98.5 km of on-farm irrigation canals (III and IV) and field drainage.

127. As part of the NTP-NRD, the 38 beneficiary communes identified to date will self-select the necessary scope works for on-farm irrigation through a prioritization process with transparently developed criteria and participatory method. Beneficiary communities will develop their own on-farm canals with main materials provided from the NTPs-NRD capital resources. Interested women, youth, poor and near poor labour-aged people will be prioritized to participate in the construction works through collaboration with the Provincial Women's Unions and Youth Unions. Cooperatives, commune technical staff and district engineers will be technical human resources to support beneficiary communities during construction process.

128. In Thanh Hoa Province, climate-vulnerable agricultural lands will have access to and control of irrigation water through rehabilitation and upgrade of 7 irrigation schemes pumping stations and primary canals (6 in Ha Trung District and 1 in Hoang Hoa) to supply water to 3,537 ha of irrigated lands and nearly 860 ha of aquaculture development land, benefitting 46,194 beneficiaries (17,182 HHs). The schemes are located in 2 districts, 16 communes and are managed by 1 state irrigation company and 6 cooperatives.

129. The project in Thanh Hoa will additionally coordinate and support capacity development of Government-led rehabilitation programmes under NTP-NRD targeting on-farm irrigation canals (III and IV) and small-scale irrigation systems for improved farm level land and water management (under component 2). Based on feasibility studies recommendations, the project will collaborate with the provincial authorities in identifying and selecting new sites for the relocation of some pumping stations, to cope with climate change (current and future effects), mainly in terms of floods and drought.

130. The development of this subcomponent will follow a phased approach. Phasing principles will be around 2 axes: i) the first axis consists in development activities' phasing for each subproject. In this regard, the 4 below activities have been identified and will be sequentially developed under this subcomponent i.e. Feasibility Study, Detailed Design, Construction/Rehabilitation works, and infrastructure works supervision and handing over; ii) the second axis consists in phasing the development of all the water infrastructure and irrigation schemes in 4 years in such a way that the first year will observe the pilot phase consisting in implementing a relatively a small batch of schemes. This will allow careful monitoring of the procurement, implementation and technologies' performance and adequacy, gathering feedback from beneficiaries, and addressing any unexpected issues. Once lessons are learnt from the pilot phase, the project will proceed with the full-scale development phase observing an incremental implementation during the second and third years (third and fourth years of the project).

Activity 1: Feasibility Study (funded by Government of Vietnam): The already pre-identified schemes (Appendices 6.A, 6.B and 6.C) will be subjected to a full feasibility study (FS) to demonstrate that the investment will be technically feasible, economically viable and environmentally and socially sustainable. Such FS focuses on different aspects, most particularly hydrological analysis to support the viability of water infrastructure supporting the irrigation schemes and dike's rehabilitation. The PMU will ensure: i) preparation of necessary bidding documents for the procurement of consulting services to conduct the feasibility study, ii) invitation of bids and evaluation.

131. Technical feasibility may sometimes be difficult to assess due to unavailability of hydrologic data especially in case of ungauged catchments. The feasibility study should develop necessary alternative assessment approaches including modelling or adapted empirical approaches to minimize uncertainties. The feasibility study should assess and report on the following aspects:

- ✓ Diagnosis of the functionality and/or deficiencies of the existing water/irrigation infrastructure available;
- ✓ Land and water resources, including soils, topography, hydrologic analysis including assessment of existing and forecast of future upstream and downstream water commitments, specifically the other CRWIS sub-projects located in the same watershed (Ma river watershed for Thanh Hoa and Lam river watershed for Nghe An), taking into consideration potential climate change impacts scenarios;
- ✓ Analysis of the targeted watersheds (Lam and Ma), collection and analysis of rainfall and river flow time series. In case of ungauged sub-catchments, the study will develop alternative assessment approaches including modelling or adapted empirical approaches to minimize uncertainties and risk,
- ✓ Estimation of river flow and sediment transport in current and future conditions especially during the most critical periods of the year corresponding mainly to the lowest and highest water levels/flows under different assumptions of return periods and climate change scenarios (IFAD focuses on RCP8.5, 2040-59);
- ✓ Land and water governance, as well as assessment of any legal or institutional constraints to access;

- ✓ The local economy and people;
- ✓ Existing agriculture, land use and land tenure;
- ✓ Irrigation agronomy, cropping patterns and farming models without and with the project, with consequent calculation of crop and irrigation water demand;
- ✓ Geological and Geotechnical conditions;
- ✓ Existence and/or potential need for river monitoring systems (to inform Component 2 activities supporting river's monitoring systems);
- ✓ Assessment of at least 2 development options of the water infrastructure/irrigation system (alternatives for Pumping stations locations, and/or main/secondary canals alignments, in addition to on farm development) and comparison from technical, social, environmental and financial perspectives;
- ✓ Agricultural production and market prospects;
- ✓ Likely impacts on individual producers;
- ✓ Anticipated social and environmental impacts (including details of any resettlement required);
- ✓ Preliminary expected costs
- ✓ A cost-benefit analysis for the development alternatives.

The contracted consulting firm should prepare a preliminary design including the type of headworks, layout, type of distribution and drainage system, type and estimated number of control, distribution and canal-related structures. If two or more different options for the development of the scheme have been identified during the feasibility studies, it is necessary to prepare a preliminary design and cost estimates for each option to facilitate comparison and future selection of the best option. Additionally, the study should assess any potential negative impact on water availability for downstream users and/or environmental flow especially during the dry season and the peak water demand period and should come up with adequate mitigation measures. If the pre-identified surface water source is deemed insufficient, the study should assess groundwater resources as an alternative or additional water source. If these are not enough as well, the study should assess developing the sub-project on a smaller command area, and if not possible (for technical and social considerations), the sub-project should be declared unfeasible and consequently ineligible for investment.

132. In the interests of sustainability, the study should include consultation with all communities likely to be affected by the project. This not only keeps them informed of progress, but also serves to benefit from their local knowledge and collect data on the real needs and challenges, cropping patterns and practices, crop yields and diseases, historical observations of extreme events, and seek their feedback on the project concept as it develops, its potentially negative impacts and measures to address these impacts. A Community Awareness meeting will be useful to inform the concerned male and female landholders having land in the (envisaged) command area of the scheme about: i) the intended approach for planning, design, construction and management of the scheme, ii) capacity building of the water users' entity, iii) the expected role and responsibilities of the farmers during the different development stages in addition to scheme's management aspects including the payment of an irrigation service fee (ISF) to finance the O&M of the on-farm irrigation and drainage infrastructure. The beneficiaries have to become aware that themselves have to participate actively in all stages of the scheme development, operation and maintenance. The PMU will subsequently review the quality and findings of the draft feasibility studies and will decide on whether the potential candidates passing the feasibility study test can be prioritized for detailed engineering design and construction/rehabilitation. In terms of quality assurance, and in addition to the internal review of the draft feasibility report, an external review by a highly qualified contracted consultant or consulting firm is highly recommended.

133. Activity 2: Detailed Engineering Design (funded by Government of Vietnam): Based on feasibility studies recommendations in terms of the selected development option, and taking into consideration the beneficiaries agreement and the commune formal green-light/approval, the project will prepare necessary bidding documents for the procurement of services to conduct a detailed engineering design and work supervision. Procurement processes should be balanced and optimized in such a way it targets/privileges high quality and technical soundness and should not be restricted to financial considerations.

134. The detailed design will be carried out by specialized consulting firms competitively recruited, and will have a particular focus on identifying appropriate technical options for sustainable water management and adequate irrigation systems (from head works up to farm level, as required by each specific site/sub-project). The design of water infrastructure should optimize a sustainable balance between investment costs, robustness to the impacts of climate change and extreme events, in addition to simplicity and affordability of operation and maintenance. If needed, the Project will seek technical support from relevant entities including MONRE for a specific assessment of shallow groundwater resources if surface water resources are deemed not enough. When pumping is needed, the consultant should assess the suitability of various ranges of pump types (horizontal, vertical, submersible) in terms of efficiency, reliability, affordability (investment and running costs), and energy and maintenance requirements, while sticking with Vietnam's technical standards for pump station design TCVN 13505:2022.

135. The PMU will be responsible for Quality Assurance, careful review and final approval of the engineering designs. Specific attention will be paid to the adequacy and accuracy of the design and completeness of the Bill of Quantities (BOQ) to minimize contracts' variations risk. Adequate technical assistance will be mobilized to ensure that designs meet quality standards and support the review and validation processes. The output of this activity will consist in the elaboration of bidding documents inclusive of engineering drawings, Bill of Quantities (BoQ) and cost estimation. The design will ensure capturing innovative and practical water resources and rural infrastructure (WRRRI) models resilient to climate change and supporting smart cropping patterns with suitable designs adapting to the specific conditions of each sub-project area.

136. To develop a sense of ownership and responsibility for future O&M, it is required that the beneficiaries are involved in all development stages of their irrigation scheme, in particular during the detailed design stage as the most important decisions are made during this stage. To ensure such an effective participation, it is important to consider the elaboration of the design as a step-by-step process during which beneficiaries' priorities and preferences are, as much as possible, matched with technical and financial possibilities.

137. Additional analysis related to SECAP will be needed before carrying out the rehabilitation works and during the preparatory phase, including the elaboration of resettlement and rehabilitation action plans to review the compensation for any potential acquisition of public/private land, and/or impacts on farming activities and to mitigate any risk that may arise during site clearance.

138. Activity 3.a: The development of headworks and critical water infrastructure (mainly funded by IFAD Loan, and by Grant) across both provinces will be planned in such a way that all works should be achieved within the mandated 4 years, ideally one year before CRWIS completion. The project will procure water infrastructure construction or rehabilitation works from qualified bidders/contractors.

139. Construction or rehabilitation works will be conducted according to the technical specifications provided by the detailed engineering designs (Activity 2) and will be supervised by the PMU and/or the design consulting firm. The construction/rehabilitation process will be flexible and able to align with ongoing socio-economic and technical requirements or any unforeseen situation, after discussion with the work supervisor, PMU and beneficiaries/community consultations (FPIC), as long as the variation cost implication is within ceiling conditions indicated in the contract.

140. The PMU will play an important role in ensuring Value Analysis and Value Engineering (VA/VE), in controlling the costs of infrastructure through advanced procurement activities, front loading long lead items, avoiding underbidding and subsequent excessive cost variations. The monitoring and supervision system will be developed at all levels, i.e. province, district and commune/community level to ensure high quality of construction works and timely solving of unforeseen issues through the Grievance Redress Mechanism.

141. Before the commencement of construction works, an agreement will be made between the PMUs and the irrigation company/beneficiary cooperative and/or water users' entities indicating clearly the role and responsibilities, and obligations of all parties. The agreement will also indicate a tentative time frame for the completion of activities. The establishment of the Scheme Implementation Agreement should cover the following aspects:

- ✓ An overview of all the earthworks & structures to be included in scheme construction;
- ✓ Implementation schedule of planned construction works and activities;
- ✓ Rights and obligations of all parties directly involved in the implementation;
- ✓ Farmers' contributions to investment costs;
- ✓ An outline of the scheme organization;
- ✓ Explanation of scheme ownership and procedures for handing over to cooperatives/water users' entities;
- ✓ Right-of-Way for contractor and responsible staff;
- ✓ Modalities for joint progress monitoring & quality control during execution of works;
- ✓ Modalities for joint final inspection of completed construction works;
- ✓ Water users' entities capacity building plan;

142. Activity 3.b: Development of on-farm irrigation (III and IV) and drainage systems (funded by Government of Vietnam): The project will provide capacity development to Government-led rehabilitation programmes under NTP-NRD targeting at least 98 km of on-farm irrigation canals (III and IV) in addition to necessary field drainage system. Thirty-one (31) out of thirty-eight (38) beneficiary communes have been identified to date, and beneficiary communities will self-select works for on-farm irrigation and drainage through a prioritization process, with transparently developed criteria, with a particular focus on inclusivity, climate resilience and participatory method.

143. Suitable small scale on-farm interventions and/or infrastructure models to be considered during the design phase consist of:

- Land levelling;
- On-farm irrigation canals and field drains;
- Canals, pipelines and regulatory works to connect to the main irrigation system, and culverts to support effective irrigation;
- Drip and sprinkler irrigation systems for vegetables, herbals, and other crops;

- Small-scale water storage works, which can combine gravity facilities, and portable solar powered pumps for energy saving and higher flexibility during drought periods;
- Small-scale pumping stations consolidating irrigation/drainage in the inner field of the command area;
- Application of portable submersible pumps for irrigation/drainage;
- Small-scale solar power system used in conjunction with the electricity system connected with the distribution grid to economically supply electricity to production areas;

144. Beneficiary communities will build their own on-farm canals and field drains with main materials provided from the NTPs-NRD capital resources. In beneficiary communes, youth (working age, above-18 years) represent the main human resources for workforce; interested women farmers, women-headed households, Ethnic Minority households, and poor and near-poor households will be prioritized for participation in construction works as well. Cooperatives, commune technical staff and district engineers will be technical human resources to support beneficiary communities during construction process.

145. Activity 4: Works Supervision (funded by GOV and grant) and Handing over. This is a fundamental activity aiming to ensure that works implementation is on schedule and complying with the technical/engineering specifications and drawings. The consulting firm that developed the detailed design can ensure the supervision of work in collaboration with the PMU engineer and/or the Technical Assistant who will be responsible for the overall quality control process. Beneficiary communities would also be involved in supervising works at farm level and external technical assistance will be mobilized as needed to deliver practical trainings on site, for beneficiary communities on basic technical supervision of construction works. Collaboration with the Provincial Women's Unions and Youth Unions will be sought to organise skills trainings in construction for interested women, youth and other vulnerable groups to ensure they are trained and skilled adequately to garner optimal benefit for their labour.

146. As soon as the contractor has issued a notice that all construction works have been completed, a joint inspection of these works must be planned within two weeks following the issue of the notice. The contractor will be legally responsible for any defect which can appear in the work during this period and during the entire defects liability period as indicated in the contract. The final inspection team should consist of the irrigation company/cooperative, the water users' entity representatives, the contractor, the supervisor, in addition to the PMU. During the joint inspection of the completed works, the team has to check if all construction works have been carried out in accordance with the detailed designs and the terms of the signed contract.

147. Following the joint inspection of the completed construction works, a Final Inspection Report (FIR) must be prepared by the supervisor, in which the main observations, conclusions and recommendations are summarized. During a joint meeting, the members of the joint inspection team have to review and approve the FIR. Nevertheless, if the joint inspection of the construction works reveals that some works have not been completed properly, the Final Inspection Report must clearly specify these observations and mention the main reason(s) for non-completion or unsatisfactory completion of these works. In addition, the Final Inspection Report must specify the modalities for the execution of the outstanding works, including a tentative work plan, by the contractor.

148. Preliminary handing over of scheme. If the final inspection reveals that all construction works have been completed properly, the contractor must preliminarily hand over the scheme back to the CRWIS PMU.

149. Test run of the scheme. Following the preliminary handing over, the water infrastructure/irrigation scheme must be tested during the entire first irrigation season (the defects liability period) in order to assess if all structures are functioning properly. The test run of the entire scheme must be closely monitored by the irrigation company/cooperative, water users' entity representatives, the supervisor and the PMU. If the test reveals that the system has some deficiencies and cannot be operated as designed, the PMU with the support of the supervisor must investigate the cause(s) and identify any remedial measures, which have to be discussed with the contractor and the water users/beneficiaries. If the malfunctioning is the result of one or more construction faults, the contractor has to out the necessary repair and/or reconstruction works at his own expense. However, if one or more design faults are the reason for the malfunctioning of the scheme, any remedial works extra cost should be discussed, case by case, between CRWIS PMU, the PPC while consulting IFAD if the remedial works cost is exceeding the retention amount.

150. Final handing over of the scheme. At the end of the defects liability period, and if the test run has revealed that the entire scheme is fully functional, the final handing over of all water related infrastructure from the contractor to the PMU can take place.

151. Signature of asset management transfer agreement. Before the irrigation company/cooperative and water users' entity can take over the responsibility for the Operation and Maintenance (O&M) of the irrigation scheme, the PMU will prepare an Irrigation Management Transfer Agreement (IMT) to be signed by both parties. The following topics should be covered in the IMT Agreement:

- ✓ Detailed inventory of all irrigation and drainage (I&D) infrastructure for which the O&M responsibilities will be taken over;
- ✓ Functions of the irrigation company/cooperative with regard to the O&M of the infrastructure headworks and main network, and the cooperative/water users' entity with regard to on farm irrigation and drainage systems;
- ✓ Minimum standards for the maintenance of all water infrastructure;
- ✓ Communication and reporting procedures;
- ✓ Procedures for settlement of disputes.

152. As soon as the IMT Agreement is signed, a scheme handover certificate will be signed between the PMU and the schemes managers mentioned above, and witnessed by the provincial authorities (PPC). Subsequently, each scheme will effectively be handed over which entails the transfer of all responsibilities for the sustainable operation, maintenance and management of the scheme to the irrigation company/cooperative with regard to the O&M of the infrastructure headworks and main network, and the cooperative/water users' entity with regard to on farm irrigation and drainage systems.

Sub-Component 1.2. Improved flood control and livelihoods protection

153. Under this sub-component (funded by IFAD loan), the project will develop infrastructure for the prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. The project will undertake the rehabilitation of critical sections of two (2) river-dike schemes with a total length of 24.8 km to strengthen the protection of livelihoods of 14,982 householders (57,541 people), and 6,600 ha agricultural and residential lands against the impacts of floods, saline intrusion

and river erosion, including 2,990 ha of agricultural lands and nearly 860 ha of aquaculture in 13 communes, 2 project districts and 10 cooperatives.

154. The objective of the river-dike rehabilitation/upgrade consists in ensuring the following goals: i) protect people, properties and livelihoods against designed-frequency and extreme flood events; ii) enhance connectivity with the surrounding road network to support market access and facilitate rescuing during emergencies; iii) enhance water control and drainage through the sluice gates and culverts to be constructed under the dike; and iv) to prevent saline intrusion.

155. The key outputs of Sub-component 1.2 include: i) Two (2) river-dike schemes (including three (3) dikes) with a total length of 24.8 km will be rehabilitated and expanded, with protective ecological embankment (planting grasses) for stabilization, and dike crest raised to ensure a better protection against the increasing threat of floods and sea level rises; ii) 18 sluices gates under the dikes will be upgraded to ensure adequate drainage water regulation and management especially during flood events, prevent saline water intrusion, and permit safe water intake for agriculture and aquaculture activities developed inside the protected area; iii) In addition to their protective role, the rehabilitated dikes will be wide, paved, and compact enough to serve as access roads providing improved access to markets as well as access to essential services for local communities and farmers; and iv) 9 km of dike-connected service roads benefitting 10,389 householders (41,600 people) and connecting residential areas and market across the dike complex will be upgraded to further support smallholders, facilitate harvesting and marketing of agricultural and aquatic products.

156. The implementation of the dikes' rehabilitation works will follow the same process identified for the irrigation and water infrastructure works under sub-component 1.1 (feasibility study and detailed design, procurement, construction and supervision of works). Additionally, and before carrying out the rehabilitation of dike infrastructure, during the preparatory phase, the PMU, with the support of specialized technical assistance to be mobilized as needed, will review the compensation and any potential resettlement plan for dikes and roads related to any potential acquisition of public/private land and/or impacts on production activities, and to mitigate any risk that may arise during the preparation of dike sites' clearance.

157. In addition to technical supervision resources which will be procured to ensure compliance with Vietnamese Construction Law, the project will support the establishment of community supervision boards and will strengthen their capacities to supervise works by mobilizing adequate technical assistance to deliver practical trainings, on site. This will target 10 communes in Thanh Hoa Province (2 communes in Ha Trung and 8 communes in Hoang Hoa).

158. Dike' detailed design should stick with Vietnam's standards for designing dikes and rural access roads. Additionally, it should pay attention to the following technical issues:

- Expanding the dike cross-section should be arranged mainly towards public land to minimize the impact on private land. This requirement needs to be reflected in the bidding documents, either for design or for construction. For those sections close to private lands, the design cross section should not widen the dike toe. Structural measures in this case should be considered such the use of concrete walls on the dike surface to raise the height of the dike crest for an effective prevention against floods;
- The dike slope needs to be protected by planting grass on most of the route. There are some critical sections that can reasonably be reinforced with hard structures if the risk of landslides is relatively high;

- Rulers and other devices monitoring flood flows and warning flood risks should be considered to be placed along the dike route, especially at easy-to-observe locations, near residential areas;
- For construction supervision, technical supervisors need to coordinate with commune and community supervision boards to ensure construction quality, minimize risks and adjust arising issues promptly throughout the construction process. Frequency of meetings with community supervision boards should at least be twice a month.

Component 2. Integrated water management and climate resilient agriculture

Sub-Component 2.1. Improved capacity and coordination for integrated water management

Implementation Arrangement

159. Sub-component 2.1 is the responsibility of the Provincial Project Management Unit and key counterparts including PPC office, DPI, DARD, DONRE, DPCs and their related agencies. The sub-component will be supported by a service provider providing technical assistance and capacity building to project staff and partners.

160. **Timeframe**

- Studies and development of maps; establishment of a committee/taskforce with associated regulations will be in the first year.
- Investment in physical infrastructure for monitoring and early warning and user-friendly digital information system will be in the second year.
- Roll out of CIEWS and the inter-sectoral, inter district water management taskforce will start, expectedly in 2nd to 6th year.
- Development of MIS & M&E in first year and monitor throughout.

161. Sub-component 2.1 consists of synergic activities including (i) Studies of hydrometeorology, water quality, and water management with subsequent development/update of flood and drought risk maps; (ii) establishment of physical infrastructure for monitoring and early warning and user-friendly digital information system for monitoring and early warning; and (iii) establishment of inter-sectoral and inter-district coordination taskforce in water management.

162. **Studies and maps development.** Current information and database on water management, hydrometeorology, water quality (including salinity intrusion), and water management along the Ca/Lam, Cung, Len, Lach Truong rivers are still limited. Service providers will be recruited by the PMU to conduct the studies focusing on the following:

- Measuring and understanding the physics, chemistry, energy and water fluxes of the atmosphere, and their coupling with the earth surface environmental parameters along the rivers in project area.
- Mapping and understanding actors engaged in water use/management, their coordination mechanism.
- Recommendations and solutions for improvement of the current water management system and the gaps and needs for the existing river monitoring systems.

163. Study results will inform the process of development or update of flood and drought risk maps (and saltwater intrusion risk map in Hoang Hoa district – Thanh Hoa and Hung Nguyen district – Nghe An close to coastal area) at both district and commune levels. Further, the results are important inputs for establishment of the inter-sectoral and inter-district coordination taskforce in water management.

2.1.1. Update district Climate Information and Early Warning Systems (CIEWS)

164. Outputs: a) physical printout hazard risk maps updated for districts and communes; b) IMHEN with strengthened capacity to produce interactive maps for systematic disaster risk monitoring; c) local institutions with strengthened capacity and coordination to institutionalise the use of hazard risk maps and provide timely climate-informed agricultural advisories; d) a digital information system for large-scale and timely dissemination of early warnings and climate information to local communities; and e) opportunities for communities to strengthen environmental protection by improving natural resources monitoring.

165. First, the project will update the existing Climate Information and Early Warning Systems (CIEWS) to ensure provision of timely advisory to support local institutions (DPCs, CPCs) for inter-sectoral and inter-district coordination and cooperation in water management, as well as farming households in their planning, decision-making for risk management (what to grow, when to plant or harvest, how to allocate labour, etc.), and to enable their capacity to adopt Climate-Smart Agriculture (CSA) technologies and practices. This will entail: (i) a development or update of flood and drought risk maps (and saltwater intrusion risk map in Hoang Hoa district – Thanh Hoa and Hung Nguyen district – Nghe An close to coastal area) at both district and commune levels; (ii) an establishment of expansion of physical infrastructure for monitoring and early warning, with a particular focus on hydro-meteorology, floods and saltwater intrusion, to be owned by DPCs and managed by relevant departments / divisions (e.g Hydro-meteorological Center or DONRE) for data collection and analysis; (iii) a development of a user-friendly digital information system to disseminate CIEWS relevant information to all water users in the targeted communes.

166. Given the multiple calls on grant funding, CIEWS for farmers will utilize existing sources of hydrometeorological data – the network of hydro-meteorological/ agrometeorological stations at province level is sparse and DONRE has limited capacity for analysis; the focus of the capacity development activity will be to ensure regular communication and improve coordination between DONRE and DARD in using daily, 10-day and seasonal information from the Regional Centers for Hydrometeorological Forecasting (RCHMF) to develop and disseminate advisories for crops / aquaculture / fish that farmers in target districts cultivate. While a participatory approach is critical to CIEWS, particularly to ensure relevance / accessibility of advisories to women and poor/near-poor farmers, the depth of participatory approach (e.g., whether extension officials can conduct seasonal or annual feedback surveys to improve advisories) will be assessed at implementation (e.g., considering capacity of personnel engaged, TOR developed for IMHEN and the nature of support they can extend).

167. The project will work with the Vietnam's Institute of Meteorology, Hydrology and Environment (IMHEN⁸) and/or Regional Center for Hydrometeorological Forecasting (RCHMF) under MONRE and provide them with technical assistance to develop interactive maps for identifying vulnerable areas exposed to natural disasters such as drought, flood and saline intrusion, and projecting the risks of disaster occurrence considering future climate scenarios for Vietnam. Updates to maps (flood, drought, salinity)– in coordination with provincial DONRE (since they have limited capacity) – will primarily use models Vietnam has already developed or deployed elsewhere and will use hydrometeorological and agrometeorological data that is already available. Given the constraints on grant resources, the nature of new data collection for say flood risk maps (e.g., bathymetry, topography surveys, hydraulic measurement, sediment sampling using ground-level and remote sensing) is unlikely to be extensive; any scope for expansive data collection will be reassessed at design. The maps will be developed using existing and free access software such as the Hydrologic Engineering Center's (CEIWR-HEC) River Analysis System (HEC-RAS9) to undertake relevant hydraulic calculations, simulate long-term trends for water flow and provide early warnings using real-time weather data. Capacity building will be provided to relevant divisions under DONRE

⁸ <https://imh.ac.vn/>

⁹ <https://www.hec.usace.army.mil/software/hecras/default.aspx>

and/or DARD to operate the software, institutionalise the use of risk maps and package the produced maps for ease of use for the broader audience (DPCs, CPCs, Communities).

168. A feasibility study will be undertaken prior to upgrading or constructing river monitoring systems to select the monitoring sites, water quality parameters, monitoring frequencies and adequate monitoring equipment (stream gage, stilling well, multi-parameter sonde, etc.), according to the specific context of watersheds and rivers, and tailored to the monitoring goals and capacities of the Districts and Communes (monitoring flash floods and floods, saline intrusion, nutrient pollution, sediments, etc.). The study will feed on the results of the updated disaster risk maps to identify critical nodes for surface water monitoring in the target Districts. The selected infrastructure and/or equipment to be installed will be owned by the DPCs and managed by relevant departments and divisions under DONRE and/or DARD. Some of the real-time sensor data will likely feed into early warning and advisories for farmers and cooperative – e.g., on canal sedimentation or flood risk. The focus of capacity development efforts at DONRE will be to ensure they are able to maintain the equipment, and manage the data generated, including regularly sharing it with regional and national agencies. This is unlikely to involve complex hydrological or weather models.

169. The project will support to in-person weekly or bi-weekly meetings between relevant divisions under both DONRE (e.g. hydrology, meteorology) and DARD (e.g. plant protection, aquaculture, etc.) to exchange information on weather, seasonal plans, water quality, and consolidate them into climate-informed actionable agricultural advisories to be disseminated to smallholder farmers through existing and new extension systems.

170. The project will support the development of a digital information system for large-scale and timely dissemination early warnings and climate information to local Communities in the project target areas, especially the water users. Current channels available to people include printed notices from upstream Districts on water release, regular bulletins (available online) from IMHEN on flash flood and drought warnings, weather, and climate disaster warnings on mass media (TV, radio) and social media groups. The project will develop digital platforms to provide real-time and/or regular (every day, 7 days, 10 days, 14 days) climate-informed actionable agricultural advisories to smallholder farmers and other water users. MEKONG App10 is an example of agricultural platform linked to water monitoring that has been tested in the Mekong delta and could have a potential for upscaling in the target Districts.

171. At the outset, given the multiple calls on grant funding, CIEWS for farmers will utilize existing sources of hydrometeorological data – the network of hydro-meteorological and/or agro-meteorological stations at province level is sparse and DONRE has limited capacity for analysis. The focus of the capacity development activity will be to ensure regular communication and improve coordination between DONRE and DARD in using daily, 10-day and seasonal information from the Regional Centers for Hydrometeorological Forecasting (RCHMF) to develop and disseminate advisories for crops, aquaculture, fish or livestock that farmers in target districts produce. While a participatory approach is critical to CIEWS, particularly to ensure relevance and accessibility of advisories to women, poor and near-poor farmers, the depth of participatory approach (e.g., whether extension officials can conduct seasonal or annual feedback surveys to improve advisories) will be assessed at implementation (e.g., considering capacity of personnel engaged, TOR developed for IMHEN and the nature of support they can extend).

172. New data collection and analysis within CRWIS is limited to water monitoring (flow, quality) in rivers – with sites and type of equipment (water quality sensors, stream gauge, etc.) to be identified during the feasibility study for infrastructure works. Some of the real-time sensor data will likely feed into early warning and advisories for farmers and cooperative – e.g., on canal sedimentation or flood risk. The focus of capacity

¹⁰ <https://rynanagriculture.com/smart-water-monitoring-buoy>

development efforts at DONRE will be to ensure they are able to maintain the equipment, and manage the data generated, including regularly sharing it with regional and national agencies. This is unlikely to involve complex hydrological or weather models.

2.1.2. Improve local and institutional capacity and coordination mechanism in integrated water management

173. *Outputs: a) an operational plan for an inclusive institutional coordination mechanism on integrated water management; b) local institutions with strengthened capacity in data collection, analysis and provision of hydro-meteorological information for agriculture; and c) opportunities for increasing youth employability in existing and emerging labour markets around climate and water management.*

174. Based on the study results that mapping actors engaging in water use/management, in the first year of the project PMU will facilitate the establishment of inter-sectoral and inter-district coordination taskforce in water management consisting but not limited to provincial and district agencies (PPC, DARD, DONRE, DPI, DPC), hydro power plants, irrigation companies, cooperatives. The objectives of the taskforce are to:

- Enhance cooperation between agencies/entities responsible for water management;
- Strengthen information flow between agencies/entities regarding water use planning and management;
- Promote understanding of the potential negative impacts of physical developments on water resources and ways of mitigating these; and
- Promote understanding of the positive contributions of the better water management to the socio-economic status of communities within the project area.

175. The taskforce with associated activities will be led directly by the PPC to ensure engagement of all relevant stakeholders at different levels. PMU will support the taskforce in development of an operational plan/regulation that is considered as a legal framework for operations of the taskforce.

176. The inter-sectoral and inter-district coordination is a process-oriented approach. The process of stakeholder engagement and coordination includes identification of opportunities and challenges, development of mutual understanding, definition of roles for coordinated and joint actions.

177. The taskforce will convene on an add-hoc basis, depending on the water management issue arise and/or request by members. For each meeting/event for the taskforce, the composition and agenda can change over time according to participants' perception of problems and relevance of the issue. The following points are possibly on the agenda:

- Introduce and explain the water resilience infrastructure concept, including the project related activities; discuss scope and expectations;
- Present and verify the CIEWS, using discussion to add further details and viewpoints;
- Discuss participants' viewpoints on challenges and opportunities for positive intervention for better water use/management along the rivers, seek to harmonise the multiple interests and perspectives of different stakeholders, promoting cooperation between the authorities
- Plan for follow-up action involving key stakeholders: formation of sub-groups, contact with actors interested in further support.

178. Outcomes of the inter-sectoral and inter-district coordination are difficult to predict, as they depend on the initial context, commitment of participants, skills, coordination

and commitment of facilitation and the scope of feasible improvement options that can be identified. Possible outcomes are:

- Improved water use and management by actors along the rivers in the project areas;
- Strengthened vertical and horizontal coordination among sector departments and authorities at provincial and district levels on water planning and management
- Improved cooperation between state and non-state development actors in water management plan formulation and implementation.
- Enhanced effectiveness and efficiency of the CIEWS.
- Promotion and lobbying towards the government and its role in providing enabling framework conditions for inter-sectoral and inter-district water management;
- Consolidation of strategic role of spatial planning to integrate the goals of socio-economic development and environmental protection.

179. Apart from taskforce meetings, follow-up action is organised flexibly, including break-off sub-committees and bilateral communication with key stakeholders. The PMU's ability to understand the context, to proactively interact with relevant actors and to organise and facilitate meetings and events is decisive for the success of the inter-sectoral, inter-district coordination in water management.

180. **Exit Strategy:** It is not expected that the taskforce turns into formal public organ – the expected main outcome of the platforms during project duration is increased awareness and ability for networking and coordination. However, during implementation, it should be discussed with local governments at district and provincial level, and with relevant stakeholders, whether there is local commitment to continue the operation of the taskforce, and how future activities should be organised.

2.1.3. Improve capacity of water users for inclusive irrigation water management

Implementation Arrangement

181. Sub-component 2.2 is the responsibility of the Project Management Unit at the district level consisting of Infrastructure officers, Value chain and livelihoods officers and their key counterparts in related district agencies (e.g. DARD, OCOP, Economics and Infrastructure Division, to be determined during implementation). The sub-component will be supported by a service provider providing technical assistance and capacity building to project staff and partners.

Timeframe

- Development of Guidance/Manual will be developed in the first year.
- Development of training curriculum will be developed as soon as the infrastructure works are constructing. The curriculum will be updated/adjusted according to each specific scheme.
- Roll out of training will be conducted at the last stage (before completion) of the construction of each scheme. Refresh/continuous training will be organised during the course of the project. Training will start, expectedly in 2nd to 6th year.
- Development of MIS & M&E in first year and monitor throughout.

182. Formally, management of irrigation systems is vested in irrigation companies, cooperatives, and villages (hereafter call water user entities). Irrigation companies manage inter-district, inter-commune pumping stations, and headworks and secondary irrigations canals. Cooperatives or villages manage within commune pumping stations, and tertiary and on farm canals. The water user entities are to be trained during the course of the Project in improved management of their schemes and connectivity (dike, roads...). The training should enable the water users to maintain their infrastructure (including the financing thereof); to operate the infrastructure (including water distribution and differential access to land in the dry season); and to improve the infrastructure (by small modifications that allow diversification of irrigated crops).

183. The training curriculum will be prepared by a PMU with assistance by a service provider and detailed in a CRWIS Water Management Guideline/Manual to be prepared during the start-up period of the project. The Guideline/Manual will cover the following topics:

- How to improve irrigation scheme management? – mobilisation of labour and resources for system repairs; development of internal rules for orderly operation and maintenance; irrigation service fees and so on;
- How to improve the irrigation scheme? – explanation of the use of the IFAD, AF resources for investment in irrigation schemes (headworks and other major interventions, on-farm irrigation infrastructure and equipment); Identification of ideas for irrigation scheme improvement;
- Steps for improving scheme management – participants are asked to discuss within their entities (company, cooperative, village) the need for follow-up support by the PMU, with respect to (i) improving scheme management (byelaws, irrigation service fees with accounting system, maintenance planning and rotation scheduling); and (ii) agricultural intensification in the scheme's command area using the Adaptation Fund, NTPs, OCOP resources. Interested water users are to register their interest with the PMU using the offline or online form.
- Potential for promotion of climate smart agriculture (CSA) (link to Sub-component 2.2 - Strengthened resilience of smallholders' agricultural businesses) on irrigated lands and adjacent areas. This can be combined with cross learning/sites visit to locations of good CSA practice;
- Implications of CSA for the management of the system – re-arrangement of dry season land access; inclusion of additional farmers in the dry season; need to use residual moisture from wet season cropping for production of winter crops; need for timely repairs of the intake and the main canal for an early start of winter irrigation; need for canal lining to reduce distribution network losses; need for on-farm irrigation equipment including pumps, drips and sprinklers; and so on.

184. The district PMU staff will establish contact with water user entities in the project area. Each entity shall be invited to send 10 representatives to the training, along with the leaders and infrastructure staff at commune level. Such sessions are organised for a maximum of approximately 50 participants and shall be highly interactive. If possible, the venue of the training will be an irrigation scheme and/or a connectivity where irrigated crops are successfully produced.

185. Training sessions can be repeated if and when needed – with modified design and with the aim of motivating as many water users as possible to (i) invest in better system management and (ii) to invest in climate resilient, water efficient, and profitable farming systems.

Sub-Component 2.2. Strengthened resilience of smallholders' agricultural businesses **Implementation Arrangement**

186. This sub-component 2.2 is under the responsibility of the Project Management Unit consisting of a Value chain and livelihoods coordinators, Value chain and livelihoods officers and their key counterparts in related provincial and agencies (e.g. DARD, DOIT, OCOP, FU, WU, Cooperative Alliance, to be determined during implementation). The sub-component will be supported by service providers providing technical assistance and capacity building to project staff and partners.

2.2.1. Upscale Climate-Smart Agriculture knowledge to improve smallholder farmers' productivity and resilience

187. Outputs: all targeted communes are participating in the selection of CSA models (with at least 30 people involved in the participatory process for each commune, with an emphasis on women and youth empowerment); at least 610 people are trained to provide tailored CSA extension and advisory services to farmers; at least 78,000 people are trained in CSA production practices and technologies; and at least 14,000 hectares of agricultural land are brought under climate-resilient practices.

Timeframe

- Mapping and assessment of existing agricultural models in the target districts in the first year of implementation;
- Participatory selection of CSA models in the first and second years;
- Mainstreaming CSA into rural extension and advisory services (REAS) with subsequent capacity building of REAS service providers in the second and third years;
- Capacity building of farmers and producer organisations from the second year until end of implementation period.

188. The combined effects of improved access to water supply and timely climate information, better planning and coordination at the landscape level to reduce risks, as well as increased market opportunities and business linkages will create an enabling environment for agricultural transformation and strengthen the climate resilience of rural livelihoods. Climate-Smart Agriculture (CSA) technologies and practices will improve farmers' productivity and resilience to climate, environmental and economic shocks.

189. CSA revolves around three pillars, namely i) sustainably increasing agricultural productivity from crops, livestock and fish, to contribute to achieving food and nutrition security, as well as higher incomes; ii) adapting to climate change, with a focus on reducing exposure to short-term risks, enhancing capacity to adapt and develop in the face of shocks and long-term stresses; and iii) reducing and/or removing greenhouse gas emissions where possible. Lessons learned from other initiatives emphasize that: (i) having a clear idea of what farmers need and want is important not only for scaling up processes but also for small-scale uptake of new practices; (ii) new technologies and practices take long time to be adopted by farmers (up to 3 or 4 years of continued capacity building and awareness campaigns); and CSA technologies and practices may take relatively long periods of time before benefits arise (e.g. improving organic matter and water holding capacity in soils, planting trees and managing landscapes).

190. To ensure uptake and sustainability of the proposed CSA models, CRWIS will undertake the following key interventions.

- i. Mapping and in-depth assessment of agricultural models adapted to the agro-ecological and socio-economic context of the targeted communes and districts, by capitalizing evidence-based models from research, empirical farmer knowledge and other development projects' success stories, combined with undertaking multi-stakeholder surveys. This will be led by DARD in the first year of implementation through a dedicated technical assistance, in parallel and closely linked with the feasibility studies for value chains. The project could apply the climate smart agriculture rapid appraisal (CSA-RA), a mixed method approach that draws on participatory bottom-up, qualitative, and quantitative tools to assess the heterogeneity of local contexts and prioritize context-specific CSA options. Focus will be on identifying CSA practices, technologies and services adapted to smallholder farmers including women and youth farmers in the targeted project areas. The output is to develop tailored CSA guidelines, with actionable and feasible models for smallholder farmers to support their decision-making, and highlighting potential loss, gain or risk associated with the proposed CSA models.

- ii. Inclusive Climate action planning and participatory selection process of CSA models at village and commune levels. The project will raise awareness of farmers including women and youth farmers on the climate and economic vulnerabilities of their current practices, use the developed CSA guidelines to propose adaptation alternatives and facilitate planning and selection process of CSA models at local level. DARD will lead this intervention in coordination with Farmers' Union, Women's Union, Youth Union and Cooperative Alliance to support farmer organisations (cooperatives, villages).
- iii. Rural extension and advisory services (REAS) in CSA. To build the farmers and farmer organisations' capacity in implementing their selected CSA models, REAS will be provided as gender sensitive and socially inclusive trainings and capacity building through existing channels at local level (Farmer Field Schools, extension services provided by agricultural extension officers or cooperatives, etc.). DARD will lead this intervention in coordination with Farmers' Union and Cooperative Alliance to support farmer organisations (cooperatives, villages).
- iv. Upscaling CSA models through community-based technologies and investments. To pilot innovation and de-risk the adoption of CSA models by smallholder farmers, especially when it entails (i) transforming from a subsistence farming approach to market-oriented one, (ii) switching from a less productive and/or more vulnerable commodity to a higher value and/or more resilient commodity, or (iii) adopting an improved and innovative technology or practice, the project will provide CSA support in terms of community-owned and managed equipment (tractor attachments such as direct seeders, laser land levelers, etc.), small-scale technologies (net houses for vegetable growers, compost turners, drip irrigation, etc.) and inputs (seeds and seedlings, fertilisers, animal feed, etc.) to the most climate-vulnerable and/or poor households. This CSA starter support is intended to be a one-time support and the following years, beneficiaries are expected to contribute through their own investments to sustain the CSA models. A dedicated capacity building on operation and maintenance will be provided to the recipient communities to sustainably manage the CSA equipment and technologies. PMU will define a specific targeting strategy and a guideline for the provision of CSA support per commune in line with the CSA models selected by the communities, approved by the PSC, and in compliance with national regulations and eligibility for grant-financed interventions while considering the specific needs of women, young farmers and poor and near-poor households. Additionally, the project will invest in nature-based solutions for environmental protection (plantation of acacias, ecological embankments, etc.) to strengthen the communities' resilience to landslides and river erosion.

191. PMUs can refer to the Targeted Adaptation Assessment prepared at design as part of the required SECAP studies as a starting point for the selection of CSA models. During project implementation, all agriculture-related activities, including trainings and farmers' adoption of technologies and practices, should be compliant with the recommendations of the Integrated Fertilizer and Pesticide Management Plan.

2.2.2. Increase smallholder farmers' income from facilitated business linkages

Timeframe

- Key initial and start up planning, studies, surveys, Value Chain Action Plan (VCAP), Public Private Producers Partnership Platforms (4Ps) establishment, guidance development in the first and second year.
- Roll out of planning in provinces/districts, and more detailed operational guidance development, staff capacity development and stakeholder awareness raising in 2nd to 6th year.
- Development and Implementation of 4Ps in 2nd to 6th year

- Leveraging additional financing (step 4) in 2nd to 6th year
- Development of MIS & M&E in first year and monitor throughout.

192. This sub-component aims to increase adaptive capacity and profitability of irrigated agricultural business models, thus strengthening the resilience of rural livelihoods to climate change, and consists of two key and synergistic activities: (i) Value Chain (VC) study and selection that aims to identify the gaps and preferential supports from the project; (ii) Establish District Multi-Stakeholder Platforms (4Ps) to improve value chain governance by enhancing coordination and strengthening relationships between actors in selected value chains with a particular focus on addressing the future challenges of climate adaptation. This should be implemented respectively through the following steps:

Step 1. Value Chain study and selection

193. *Output: At least two approved value chain action plans (VCAP) for respectively rice and vegetable in each project district of two provinces.*

194. A preliminary assessment during design to estimate the sensitivity of the proposed commodities to key climate change risks factors (i.e. drought tolerance, tolerance to inundation and saturated soil conditions, heat and high winds) found that the majority of proposed value chains including rice, vegetable have moderate-high risks in terms of the key climate risks in some targeted districts.

195. Market and climate sensitivity assessments conducted during the design for potential agricultural commodities within the eight project districts of two provinces followed by consultations with various stakeholders inform an initial selection of two gender sensitive value chains (rice and vegetables). Additional ones will be selected during the first year of project implementation. The criteria for the priority selection included includes the following: (i) availability of inputs (e.g. land, seed, fertilisers); (ii) potential for competitiveness; (iii) potential for expansion (price or produced quantity); (iv) added value for the target group; (v) potential for scaling (e.g. farming contract, OCOP); and (vi) cross-cutting issues (gender, youth, vulnerable groups, environment, climate impact). Additional commodities can be added at later stage during implementation using the aforementioned indicators for selection.

196. In the first six months of the Project, the PMU, supported by service providers, will, through a mix of theoretical and case-based training and resource allocation, capacitate provincial and district partners to prepare concise value chain action plans (VCAP) including mapping of commodity actors, processes, the added value at each link, and an initial identification of challenges and opportunities. The VCAP will identify interventions that offer higher income potential, are inclusive of poor, women and youth, are resilient and adapted to climate change and that are linked to private sector technical support and/or off-takers. During the first year of the project, focus is on presenting, verifying and discussing the framework to develop and rank potential interventions, develop demonstrations farms, lead farmers etc.,.

197. An empowered provincial and district agencies with PMU support, will, subsequently: (i) support the integration of commodity development in the provincial/district development programmes (NTPs, OCOP); (ii) provide technical support to commodity development across the Project area; (iii) provide mentoring to value chain actors and co-ordinate their capacity development; (iv) coordinate with specialists in specific commodities and in "climate proofing" agriculture production; (v) mentor contract negotiations between farmers and other value chain entities; and, (vi) facilitate business registration, conflict resolution and mediation when required.

198. The VC action planning process will involve 5 steps :

- background research on the chosen commodity/crop by reviewing websites and other secondary sources of information concerning the commodities

provincial and national importance, environmental requirements, role in household economies, end-markets, etc. This will be followed by primary research in the provinces through interviews, focus groups, surveys and observation involving value chain actors (farm households, processors, input suppliers, advisors etc.);

- using the aforementioned information, map the commodity/crop sectors in four provinces. Commodity mapping enables the visualization of the product flow from conception to end consumer through various actors, as well as the supporting markets and enabling environment affecting the commodity;
- prepare a table listing the structural and dynamic factors in the commodity, and briefly describe the current situation, opportunities, constraints and recommendations for addressing those constraints including tangible How, Who and Financing;
- prepare a financial and economic analysis of each commodity detailing the estimating potential incremental benefits from investment in their development, including, *inter alia*, rates of return on investment, increased household income, number and type of household benefiting; job creation; increased export; import substitution, etc.;
- conduct a workshop (as part of the 4Ps Platform) bringing together key actors from various levels in the commodity to vet the findings of the analysis and discuss if the chosen strategy for increasing commodity competitiveness is valid.

199. The VCAP, with periodically updated, will be used as the framework for calling agribusiness entrepreneurs to express their interest for investing in project districts/provinces.

Step 2 – Establish District Multi-Stakeholder 4Ps Platforms (4Ps)

200. *Outputs: The number of events organised in the framework of multi-stakeholder platforms – including meetings (minimum 200), promotional events, sub-group meetings, bilateral and multilateral meetings between VC actors; informal visits to VC actors with the purpose of coaching or information collection are not to be counted. The target value is at least 480 events over the lifetime of the project, averaging to 10 organised events per district and year.*

201. District commodity-based Multi-Stakeholder 4Ps Platforms (4Ps) have the purpose to improve value chain governance by enhancing coordination and strengthening relationships between actors within selected value chains. An 4P consist of relevant stakeholders within a value chain, including farmer representatives, farmers' and private sector organisations (including identified business partners), government representatives, traders, processing enterprises, input suppliers, consumer representatives and financial institutions. Expected results of the platforms include improved networking and coordination for tangible results like higher producer prices, improved market transparency, trade contracts or product branding¹¹.

202. Value Chain development through 4Ps is a process-oriented approach. 4P events are expected to lead to improved market linkages – the target is to increase the number of formal farmer groups – market linkages established as outcome of multi-stakeholder platforms.

203. Impact will be assessed when updating the Value Chain Action Plan at the end of the project intervention, by estimating changes in added value within the chain, and by

¹¹ For detailed background on organization and facilitation of MSPs, see Brouwer, H. and Woodhill, J. et.al. 2015. The MSP Guide – How to design and facilitate Multi-Stakeholder Partnerships. Centre for Development Innovation, Wageningen University and Research, Netherlands.

attributing this to internal or external actors. Due to the high flexibility of the 4P process, and the difficulty to attribute changes unambiguously to single factors, no target value is set.

204. The process of stakeholder engagement and coordination includes identification of opportunities and challenges, development of mutual understanding, definition of roles for coordinated and joint actions. 4Ps also act as broker for technology innovations, especially when specific market demands require specific production methods (e.g. AWD, SRI, LLL, organic production – See Activity 2.2.1).

205. For each 4P meeting/event, the composition and agenda of the 4P can change over time according to participants' perception of problems and relevance of the platform. Stakeholders might include farmer representatives, farmers' and private sector organisations, government representatives, traders, processing enterprises, input suppliers, consumer representatives and financial institutions are invited. The following points are possibly on the agenda:

- Introduce and explain the 4P concept, including the project related activities; discuss scope and expectations;
- Present and verify the Value Chain Action Plan, using discussion to add further details and viewpoints;
- Discuss participants' viewpoints on challenges and opportunities for positive intervention; add information from VC Analysis and context, where necessary; prepare and rank lists of challenges, fields for improvement and potential interventions;
- Pick possible interventions with good potential and feasibility, and identify related key stakeholders; and
- Plan for follow-up action involving key stakeholders: formation of sub-groups, contact with actors interested in further support.

206. Outcomes of 4Ps are difficult to predict, as they depend on the initial context, commitment of participants, skills, coordination and commitment of facilitation and the scope of feasible improvement options that can be identified. Possible outcomes are:

- Improved market transparency and market information e.g. by providing transparent information on price and traded volumes;
- Improved linkages between VC actors in terms of number and quality – new partnerships may evolve and existing ones may be strengthened;
- Joint and coordinated action, e.g. group and cooperative formation, involving business associations;
- Promotion and lobbyism towards the government and its role in providing enabling framework conditions for trade and commerce;
- Mutual understanding between VC actors and conflict resolution resulting in a broader feeling of ownership of developed activities.

207. Apart from 4P meetings, follow-up action is organised flexibly, including break-off sub-committees and bilateral communication with key stakeholders. The PMU's ability to understand the context, to proactively interact with relevant actors and to organise and facilitate meetings and events is decisive for the success of the 4Ps.

208. When promising interventions have been identified, and stakeholder commitment has been ensured, collaborative action is planned for. Bilaterally or in subgroups, detailed action plans are developed, resources, support and stakeholder contributions are secured. It is important to find a good balance applying timely and consequent follow-up and close involvement of stakeholders, but without overstressing their capacity.

209. Most 4P interventions will in the given context fall under the following categories:

- Facilitating market linkages between farmer groups and buyers/processors of primary products, where farmers and/or farmer groups develop production

capacity in regard to quantity and quality, and pool their sales towards a single buyer under contract conditions;

- Goal-oriented capacity development of VC actors with support from the project and NTPs, OCOP;
- Sector advocacy and support to local government agencies to solve specific bottleneck problems identified under 4P meetings.

210. **Exit Strategy:** It is not expected that the platforms turn into formal public organs – the expected main outcome of the platforms during project duration is increased awareness and ability for networking and coordination. However, during implementation, it should be discussed with local governments at district and provincial level, and with relevant stakeholders, whether there is local commitment to continue the dialogue and exchange (e.g. through NTPs, OCOP) that has been promoted by CRWIS, and how future activities should be organised.

Annual Supervision and Implementation Support

211. IFAD and GoV will jointly supervise the Project to assess achievements and lessons learned and, when required, provide implementation support with the objective of ensuring effective Project implementation and increase the likelihood of achieving the target objective. The supervision missions will assess overall physical and financial performance, identify challenges and propose measures to address them. They will be geared towards ensuring the project compliance with all fiduciary aspects of the financing agreements. Standard IFAD procedures for project supervision will be used covering all aspects of implementation including SECAP requirements. Missions would be fielded at least once every twelve months. However, and depending on the extent and quality of implementation progress, implementation support Missions would be fielded as frequently as warranted by conditions on the ground so as to address any emergent issues that may have the potential to negatively impacts Project implementation. The ICO will be supported by the regional FMD team for financial management and the IFAD SKD team in addition to local and international consultants as needed.

Project Mid-Term Review (MTR)

212. An MTR will be undertaken halfway through Project implementation; it will be led by the Government but with the participation of IFAD. It will evaluate whether the Project is on course to achieve the objectives. During the MTR, particular emphasis will be put on assessing sustainability and the extent of implementing the exit strategy. This would be critically important, especially for those investments that have a public good nature and would require continuous involvement of the Government after the formal Project completion date. Overall, the MTR process will seek to identify any prevailing constraints and recommend such re-orientation as may be required to help the Project get back on course to achieve its objectives.

Project Completion Plans

213. Undertaking of the Project Completion Review (PCR) exercise at the end of the Project implementation will be led by the PMU, but in close coordination with IFAD. The main purposes of the completion review process will be to promote accountability, reflect on performance and elicit lessons learned to inform future project design and to define an appropriate post-project strategy. The learning dimension of the completion process will be used by both IFAD and GoV as the foundation for improvements in future project design and implementation. The completion review process will also be critical for identifying opportunities for scaling-up best practices. The PCR would need to be undertaken after Project completion but before the Project closure period. The PCR will be preceded by an outcome survey and be complemented with stakeholder consultations.

V. Appendices

Appendix 1: Guidance Note on CRWIS Project Procurement Arrangements

1. Each Annual Work Plan and Budget must contain a Procurement Plan, which shall identify the procedures that must be implemented by the borrower/recipient in order to ensure consistency with the IFAD Project Procurement Guidelines. The following procurement methods¹² shall be used¹³ for:
 - a. Works and works-related Non-Consulting Services:
 - (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$ [5 000 000] or more. Under ICB, the borrower/recipient may apply a margin of domestic preference to local contractors of 7.5% excluding industrial plants;
 - (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$ [5 000 000]. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (iii) Shopping: might be applied to contracts estimated to cost US\$ [45 000] or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
 - (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD's NO under prior review¹⁴ or alternatively without prior IFAD's NO

¹² In case National Procurement Regulations apply and as far as these do not contradict with IFAD's Project Procurement Guidelines, the equivalent terminology for procurement methods may be used; for example, ICB is the method for a publicly advertised competition at the international level. The Project Implementation Manual (PIM) will map the procurement methods that should be applied in accordance with these Arrangements.

¹³ To know the applicable procurement method, the cost estimate shall be for the entire procurement activity whether it is divided into lots or not; in case of lots, the sum of the cost estimates of all lots shall be used for identifying the applicable procurement method for the procurement activity.

¹⁴ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular contractor/service provider in all such cases. Direct contracting could be

for low-value unforeseen purchases with estimated cost per each purchase of US\$ [5 000] or less up to an aggregate amount of US\$ [400 000] per annum.

b. Goods and Goods-related Non-Consulting Services

- (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$ [2 000 000] or more. Under ICB, the borrower/recipient may apply a margin of domestic preference of 15%;
- (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$ [2 000 000]. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
- (iii) Shopping: might be applied to contracts estimated to cost US\$ [45 000] or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
- (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD NO under prior review¹⁵ or alternatively without prior IFAD's NO for low-value unforeseen purchases with estimated cost of US\$ [5 000] or less per purchase up to an aggregate amount of US\$ [200 000] per annum.

c. Consulting Services and related Non-Consulting Services

- (i) Quality and Cost Based Selection (QCBS): This selection method is the default for contracts with firms estimated to cost US\$ [1 000 000] or more; International Advertisement is mandatory for consultancy contracts estimated to cost US\$ [250 000] or more, regardless of the selection method;
- (ii) Quality Based Selection (QBS): might be applied to contracts of any value if a proper justification is provided;
- (iii) Fixed Budget Selection (FBS), or Least Cost Selection (LCS)¹⁶: might be applied to contracts with firms estimated to cost less than US\$ [1 000 000]. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
- (iv) Consultants Qualification Selection (CQS): might be applied to contracts with firms estimated to cost US\$ [250 000] or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;

justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

¹⁵ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular supplier/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

¹⁶ The choice among QBS, FBS and LCS shall be made by the borrower/recipient in the Procurement Plan based on the nature and circumstances of the relevant procurement activity following the guidance of the IFAD Procurement Handbook.

- (v) Individual Consultants Selection (ICS): applies to contracts with individuals regardless of the value;
- (vi) Shortlisting following a Request for Expression of Interest is mandatory for all CQS and ICS procedures. In addition, Shortlisting is mandatory for all consulting services contracts estimated to cost US\$ [250 000] or more;
- (vii) Sole/Single Source Selection (SSS): applies to contracts with firms designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review¹⁷ and/or contracts estimated to cost US\$ [5 000] or less, up to an aggregate amount of US\$ [200 000] per annum; and
- (viii) Sole/Single Source Selection (SSS): applies to contracts with individuals designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review¹⁸ and/or estimated to cost US\$ [5 000] or less and with a contract duration of three months or less and up to an aggregate amount of US\$ [100 000] per annum;.

d. Other Procurement Methods or Arrangements:

- (i) The use of Force Account is not allowed.
- (ii) Extensions of contracts funded by IFAD for Goods, Works or related Non-Consulting Services to cover items of similar nature not listed in the original contract may not exceed 10% of the contract value and require IFAD's No Objection (such extension shall be considered as Direct Contracting). However, extensions of existing contracts, issued in order to increase/decrease items already listed in the original contract as a result of evolutionary changes during contract execution and subject to the contractual clauses governing such change may exceed 10%. In this case, the extension is subject to IFAD's No Objection.
- (iii) The award of Grants and Investment Agreements are subject to the prior review threshold for Consulting Services (firms). The packaging of Grants and Investment Agreements is encouraged, single awards to entities or individuals are discouraged.
- (iv) Procurement from United Nations Agencies is allowed¹⁹.
- (v) The borrower/recipient shall adopt and use the Standard Procurement Documents issued by IFAD (for ICB and (if applicable) for consulting services) and the ones issued by National Authorities for other methods

¹⁷ Any request for SSS by the borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 6, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

¹⁸ Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 7, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

¹⁹ *If the Project Design has provisioned for the procurement from United Nations Agencies (See IFAD Procurement Handbook Module F1, Section 9) then this can be allowed for particular activities as outlined in the Project Design.*

as long as the latter are supplemented/adapted to meet IFAD's SECAP standards and grievance mechanisms and the IFAD's Project Procurement Guidelines and IFAD Procurement Handbook. This includes adding the IFAD self-certification form at bidding and at contract stage.

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7. In accordance with paragraphs 49, 66 and 67 of the IFAD Project Procurement Guidelines and IFAD's Procurement Handbook, the following will be subject to prior review by IFAD and requires IFAD's No Objection:

1	Procurement Plans submitted as part of Annual Work Plans and Budget and any subsequent amendment of these plans;
2	General Procurement Notices
3	The TOR (Job Description), Advertisement and selection proceedings for the hiring of any staff responsible for carrying out or administering procurement processes as part of the project
4	Award of any Memorandum of Agreement irrespective of its value
5	Award of any contract for goods and goods-related non-consulting services estimated to cost US\$ [200 000] or more;
6	Award of any contract for works and works-related non-consulting services estimated to cost US\$ [500 000] or more;
7	Award of any contract for consulting services provided by firms estimated to cost US\$ [150 000] or more;
8	Award of any contract for individual consulting services estimated to cost US\$ [40 000] or more;
9	Award of any contract via Direct Contracting for Goods and related Non-Consulting Services above the low-value threshold specified in paragraph 6 b) iv). Any contract below this low-value threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in paragraph 6 b) iv) in the current fiscal year;
10	Award of any contract via Direct Contracting for Works above the low-value threshold specified in paragraph 6 a) iv). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
11	Award of any contract via Single/Sole Source Selection of Consulting Services to firms above the threshold specified in paragraph 6 c) vii). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
12	Award of any contract via Single/Sole Source Selection to individuals above the threshold specified in paragraph 6 c) viii). Any contract below this threshold does not need N.O. as long as the cumulative threshold stated in the same paragraph is not exceeded and the contract duration is three months or less.

²⁰ Further detail is available in Annex 4 to Volume 1 of IFAD's Social Environmental Climate Assessment Procedure (SECAP) 2020.

8. In addition, the following interim steps of the procurement process for Goods/Works/Services also require IFAD's No Objection for contracts designated for **"prior review"** in the project's procurement plan. No downstream procurement action by the Borrower/Recipient can proceed until prior NO is issued by IFAD as to the propriety and compliance of the undermentioned steps with the IFAD PPF:

	Activity / Step of the procurement process for Prior Review Contracts	IFAD "NO" is required
1	Call/Request for Prequalification document and related advertisement	Yes
2	REOI (Request for Expression of Interest) document for consultancy services and related advertisement	Yes
3	Terms of Reference for consultancy services and related non-consulting services	Yes, usually as part of NO request for issue of the RFP (step 9 below)
4	Technical Specifications for Goods/Works/NCS	Yes, usually as part of NO request for issue of the bid docs (step 9 below)
5	Composition of evaluation committees	No
6	Prequalification report for Goods/Works/NCS	Yes
7	Shortlisting report for consultants' selection	Yes
8	The use of "prior lists" for shortlisting consultants	Yes
9	Complete Bidding Documents and RFPs and CfPs and related advertisement if applicable	Yes
10	Use of a Performance Guarantee template if other than unconditional, irrevocable and on-demand guarantee	Yes
11	Amendments to the Bidding Documents and RFPs, CfPs	Yes
12	Opening bids/quotes/proposals that are less than 3 (excluding DC/SSS)	No
13	Technical evaluation report (in two envelope procedures)	Yes
14	The combined evaluation report (in two envelope procedures)	Yes
15	The single evaluation report (in one envelope procedures) for Goods/Works/NCS/Consulting Services (SSS)	Yes
16	Decisions concerning abnormally low bids	Yes
17	Draft contract	Yes
18	Minutes of negotiation at award for consultancy services (where applicable) or when using DC for Goods/Works/NCS	Yes
19	Rejection of all bids/proposals and cancellation of the procurement procedure	Yes
20	Failure of negotiations and proceeding to next ranked consultant	Yes

21	Proceeding to next ranked bidder if top ranked fails to sign the contract in Goods/Works/NCS	Yes
22	Determination to reject a bid/proposal because of cross-debarment	Yes, usually as part of steps 13, 14 or 15
23	Amendments to contracts exceeding 10% in value (increase/decrease in quantities as a result of evolutionary changes). Additional unforeseen new items exceeding 10% of the contract value is a new procurement subject to Single Source/DC conditions.	Yes
24	Extension of time to contracts exceeding 40% of the original contractual duration in Goods/Works/NC Services/Consulting Services	Yes
25	Termination of a contract in Goods/Works/NC Services/Consulting Services	Yes

9. Award-related Protests and Appeals: For prior-review procurements, all protests, submitted by bidders to the borrower/recipient as a result of a Notice of Intent to Award, must be communicated to IFAD before a decision on the complaint is issued. IFAD reserves the right to provide inputs or comments to the borrower/recipient to help it reach the decision. A copy of the decision must also be provided to IFAD. For post-review procurements, the borrower/recipient may - at its discretion - inform IFAD about the protest. The borrower/recipient shall inform IFAD of any related Appeal filed to competent national authorities immediately upon becoming aware of such an appeal.
10. IFAD must receive a duly completed Authorised User(s) Letter (see Annex 1), from [the designated representative specified in Section E of the Agreement or his/her delegate], designating the name(s) of official(s) authorised to undertake actions in the IFAD's client project procurement systems which includes client project submitting electronic documentation, entering and updating fiduciary data and to request IFAD's No Objection. The designated representative of the Borrower/Recipient may from time to time change the name/s of the Authorised User(s) or add new ones by written notice to IFAD.
11. Requests for IFAD prior review and no objection, should be routed through OPEN ("Project Procurement End-to-End System (OPEN)" or its successor system. The OPEN enforces a step-by-step documentation of the workflow for the process for the entire procurement process (expression of interest, IFAD No-Objection, to contract signature) according to the type (e.g. national competitive bidding, international competitive bidding) and object of procurement (e.g. civil works, goods, services). OPEN also has a function as a tracking system for non-procurement workflow (e.g. Project Implementation Manual – PIM, Annual Workplan and Budget) and Grant. Post review contracts are also requested to be uploaded to OPEN.
12. All contracts, Memorandums of Agreements,²¹ purchase orders and related payments must be recorded in the Contract Monitoring Tool of the IFAD Client Portal (ICP-

²¹ IFAD distinguishes between a Memorandum of Understanding, Memorandum of Agreement and a service contract in the following way:

Memorandum of Understanding: equivalent to a letter of intent, it cannot involve payments of any kind.
 Memorandum of Agreement: it can involve payments but is only applicable to the public sector. It needs IFAD NO regardless of the value.

Commercial (service) contract: should be used for all private sector entities including NGOs.

CMT). The register of contracts contained within the Contract Monitoring Tool replaces the requirement to complete the Forms C-10 (Register of Contracts) and C-11 (Contract Payment Monitoring Form). Instead, an extract of the register of contracts must be downloaded from the Contract Monitoring Tool for submission together with Withdrawal Applications. The register of contracts must be kept up-to-date on a continuous basis.

13. All the above-outlined procurement terms and conditions shall also apply to project implementing partners and implementing agents approved by IFAD.
14. The aforementioned terms and conditions may be modified by IFAD during the course of Project implementation.

Anticorruption Measures

15. IFAD-financed and IFAD-managed activities and operations are governed under the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations; therefore, the Borrower/Recipient is required to familiarize itself with this Policy in order to comply with all applicable requirements therein.
16. Specifically, paragraphs 11 to 15 in Section II. D (iii) of the Policy states the actions that the Borrower/Recipient will take to prevent, mitigate and combat Prohibited Practices (i.e., fraud, corruption, collusion, obstruction and coercion, as defined by the Fund) in any IFAD-financed and/or IFAD-managed activity or operation. Borrowers/Recipients are instructed to, *inter alia*:
 - a. Prior to the implementation of an IFAD-financed and/or IFAD-managed operation or activity, inform the Fund of the arrangements made for receiving and taking action in response to allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations, in particular:
 - i. appoint **and inform the Fund of the** independent and competent national or local authority (or authorities, if the activities that follow fall under the jurisdiction of more than one authority) to be responsible for receiving, reviewing and investigating allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations; and;
 - ii. provide the name(s), position(s) and contact information of a focal point within that authority (or those authorities, as appropriate) and inform IFAD of any potential changes of that focal point.
 - b. Borrower/Recipients are also encouraged to have in place, in accordance with effective whistle-blower protection measures and confidential reporting channels in order to appropriately receive and address allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed operations and activities.

Sexual Harassment, Sexual Exploitation and Abuse

17. IFAD has no tolerance for acts of sexual harassment, sexual exploitation and abuse in relation to its funded activities or operations. In April 2018, IFAD released its Policy to preventing and responding to Sexual Harassment, Sexual Exploitation and Abuse (the IFAD Policy²²) to define obligations and responsibilities of all individuals who are holders of a contract with IFAD as well as third parties and recipients of IFAD funding.

²² <https://www.ifad.org/en/document-detail/asset/40738506>

18. According to Section 7.07 of the General Conditions, the Borrower/Recipient and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy as may be amended from time to time. The Fund may take appropriate measures in line with such Policy.
19. In line with Section 34 of the Policy, the Borrower/Recipient shall ensure that contracts with Project Parties include: (i) provisions prohibiting acts of sexual harassment, sexual exploitation and abuse, (ii) obligation to immediately report incidents of sexual harassment, sexual exploitation and abuse to IFAD or to the Borrower/Recipient and (iii) provisions allowing for the immediate termination of the contract based on proven acts of sexual harassment, sexual exploitation and abuse.
20. Pursuant to Section 8.06. of the General Conditions, the Borrower/Recipient and Project Parties shall promptly inform the Fund of any non-compliance with the IFAD Policy. In accordance with Section 12.01 (xxv) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts if, after consultation with the Borrower/Recipient, it determines that acts of sexual harassment, sexual exploitation and abuse were engaged in by representatives of the Borrower/Recipient or a Project Party or by any other recipients of the proceeds of the Financing without the Borrower/ Recipient having taken timely and appropriate action, satisfactory to the Fund, to address such acts when they occur.
21. Borrowers/Recipients are also encouraged to have in place, effective whistle-blower protection against retaliation measures, victim support and assistance mechanisms and confidential reporting channels in order to receive, address and respond to allegations of sexual harassment, sexual exploitation and abuse relating to IFAD-financed and/or IFAD-managed operations and activities.

Appendix 2.a: Procurement Strategy

**Climate Resilient and Inclusive Water
Infrastructure for Rural Smallholders in
Thanh Hoa and Nghe An Project
(CRWIS)**

Project Procurement Strategy

December 2023

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1. Project Overview

Country:	Viet Nam
Full Project Name and Number:	Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An
IFAD Loan / Grant amount (\$):	<p><i>IFAD Loan:</i> Thanh Hoa: USD 20 million Nghe An: USD 24.99 million</p> <p><i>AF Grant:</i> - Thanh Hoa: USD 9.8 million - Nghe An: USD 3.85 million</p>
Loan/Grant Number:	
Name of Procurement contract or group of similar contracts	<p>Upgrade pumping stations, canal systems, and management roads in Thanh Hoa and Nghe An Provinces</p> <p>Upgrade dyke systems in Ha Trung and Hoang Hoa Districts in Thanh Hoa Province</p>
Estimated Contract Cost (\$)	USD 1.5 – 3.0 million/contract (Civil works)

2. Overview of Country, Borrower and Marketplace

2.1. Operational Context

2.1.1. Governance

Vietnam is a free-market country and is a member of WTO. GOV still manages some sectors, such as energy. SOEs, of which many are partly equitized, are part of the market. The government is stable. The country is governed by central, provincial, district, and communal governments under the leadership of the communist party. The rules of law apply throughout the country. International trade is promoted. Vietnam participates in a number of Free Trade Agreements (FTAs), such as ASEAN Economic Community (AEC), ASEAN–India Free Trade Area (AIFTA), ASEAN-Australia-New Zealand (AANZFTA), ASEAN – Korea (AKFTA), ASEAN-Japan Comprehensive Economic Partnership (AJCEP), ASEAN-China FTA (ACFTA), ASEAN – Hong Kong FTA (AHKFTA), Vietnam – Chile FTA (VCFTA), Vietnam and Eurasian Economic Union (EAEU), EU-Vietnam FTA (EVFTA), UK-Vietnam (UKVFTA), and CTPP. Vietnam also has bilateral relationships with many countries. The government provides business support for SOEs which provide services in areas, such as aviation, energy, railway, and construction.

Legal requirements, such as labour law, health and safety law, and environmental protection have been in place. The current Procurement Law 43/2013/QH13 issued in 2013 and Decree 63/2014/ND-CP on guidance for implementation of Procurement Law and concerned circulars. Recently, the GOV issued the new Procurement Law 22/2023/QH15 on 23/6/2023 and will be effective from 1/1/2024. The new Procurement Law will replace the current Procurement Law. Guidance for implementation of the new law is under preparation.

2.1.2. Economic Aspects

Economic development has slowed down in the last few years due to the impacts of the Covid-19 pandemic and the war in Ukraine. The interest rate in VND just reduced recently, but the credit growth rate is still low because of production stagnation and fewer profit opportunities. The interest rate in USD determined by FED is as high as 5.25 - 5.5% leading to a high exchange rate. The high inflation rate provokes higher wage demands from employees, raises costs and less buying demands. It is expected that the situation will be improved in 2024 when FED's interest rate is expected to start reducing. Although construction materials are produced in Vietnam, the prices have increased. The provincial market is capable of sufficiently providing construction materials. The government is trying to pump money into the economy by promoting public investments, such as highways, roads, and airports.

Many workers had to go back home during Covid-19 and part of them chose to stay at home rather than return to work in factories. The construction sector is in a similar situation and now it is difficult to find skilled workers. On construction sites, the participation of local workers, including women and young labourers, from local communities will be taken into account.

2.1.3. Sustainability Aspects

CRWIS will have a number of big-ticket contracts that may trigger social, environmental or health and hazard issues. To address any environmental, social, climate change and health and disaster risks, all infrastructure activities under Component 1 will have provisions to mitigate the risks at all stage of procurement. In addition, sexual harassment (SH) and sexual exploitation and abuse (SEA) will be stated to address the issues through the requirement to attached an additional annex for contracts which do not use IFAD's standard contract templates. A SECAP risk associated with project procurement matrix has been developed as a guidance note for the PMUs and Procurement Officers and is attached to PIM.

2.1.4. Technological Aspects

The application of mechanical equipment in the construction sector to reduce cost and improve quality has increased especially in earthworks. Commonplace technology such as computers, mobile phones, etc. is available and widely used. In procurement, the application of computer and internet is widely used in Vietnam. Bidders can receive bidding documents, request for proposals, prepare bids, submit bids... through the E-procurement system. The new technology help to reduce costs, improve quality, encourage innovation, and improve risk management.

2.2. IA Capability Assessment

2.2.1. Experience

Thanh Hoa Agriculture and Rural Development Projects Investment and Construction Management Board (Thanh Hoa PMU) was established by Thanh Hoa PPC on 21 October 2016 by merging 5 PMUs under Thanh Hoa DARD, including Irrigation PMU, Agriculture, Forestry and Fisheries PMU, Dam Safety PMU, and 2 Dyke Maintenance PMUs. Thanh Hoa PMU inherited personnel and experience from the merged PMUs. Major completed ODA projects implemented by Thanh Hoa PMU were the Natural Disaster Mitigation Project in Thanh Hoa (2013, WB), Thach Thanh Irrigation Development Project (2014, ADB), Northern Chu and Southern Ma Rivers Irrigation Development Project (2017, ADB), and Vietnam Dam Rehabilitation and Safety Improvement Project in Thanh Hoa Province (2023, WB). The PMU is currently managing 20 projects.

Nghe An Agriculture and Rural Development Investment and Construction Project Management Unit (Nghe An PMU) was established by Nghe An PPC on 4 July 2022 by

merging 3 PMUs, consisting of Agriculture and Rural Development Sector PMU, Agriculture and Rural Development PMU, and Ban Mong PMU. Nghe An PMU belongs to Nghe An DARD. The PMU has implemented a number of ODA projects, such as Integrated Rural Development Project in Central Provinces in Nghe An (2014, ADB), Natural Disaster Mitigation Project in Nghe An (2016, WB), Vietnam Dam Rehabilitation and Safety Improvement Project in Nghe An (2022, WB), North Nghe An Irrigation System Upgrading Project (2023, JICA). The PMU is currently implementing 10 projects.

Thanh Hoa and Nghe An PMUs have experience in the construction of a number of pumping stations. Major works managed by Thanh Hoa PMU was the Yen Ton PS (equipment included) with a cost of VND 96 billion (USD 3.92 million) and by Nghe An PMU was pumping stations along the Lam River with a cost of VND 34.7 billion (USD 1.4 million). Thanh Hoa PMU experienced in the construction of dyke and revetment in Quang Thai Commune of Quang Xuong District with the cost of VND 122 billion (USD 4.98 million), and the sea dyke in Nga Son District with a value of VND 152 billion (USD 6.2 million). Although both Thanh Hoa and Nghe An PMUs have lot experience in ODA funding projects, they are new with IFAD projects and IFAD procurement procedures.

2.2.2. Strengthening Procurement Capacity

Among the total of 112 staff of Thanh Hoa PMU, 40 staff have procurement practice certificates and can be mobilised to work on procurement depending on the necessity. Thanh Hoa PMU does not have a procurement unit. Twelve staff work on procurement located in the General Planning Division (4 staff), Finance and Accounting Division (2 staff), and 3 Project Divisions (6 staff). Procurement staff in the Finance and Accounting Division and the 3 Project Divisions implement procurement, while procurement staff in the General Planning Division play the role of appraisal to support the director in making decisions.

Nghe An PMU has a total of 87 staff. The procurement is carried out by the Planning–Procurement Unit which consists of 16 staff, of which 12 staff have procurement practice certificates. The appraisal role is with the Construction Management Unit of Nghe An DARD.

The procurement staff have background and experience in irrigation, transportation, civil engineering, and finance and accounting. Facilities, such as PCs, internet connections, photocopy facilities, printers, etc. are adequate to undertake the procurement. Thanh Hoa PMU and Nghe An PMU have the capacity to do construction supervision. None of the procurement staff in Thanh Hoa PMU can work in English. In Nghe An PMU, 1 procurement staff can work in English. Thanh Hoa and Nghe An PMUs will use the current procurement staff and organisational structure for the Project.

As the procurement staff are new with IFAD projects, the staff will be trained on IFAD's procurement procedures, OPEN (IFAD's Online Procurement End to End System), ICP-CMT system (Contract Monitoring Tool (CMT) of the IFAD Client Portal (ICP)). In addition, Capacity of procurement staff in Thanh Hoa PMU and Nghe An PMU will be strengthened via IFAD's BUILDPROC programme which is a strategic tool for procurement capacity development initiative. Thanh Hoa and Nghe An PMUs are requested to bear the cost and assign procurement staff to be accredited as a part of the BUILDPROC procurement capacity development.

2.2.3. Procurement Processes and Delegation of Authority

Thanh Hoa and Nghe An PMUs will carry out the procurement and no delegation to districts nor communes is expected. Nevertheless, this arrangement can be adjusted during the project implementation depending on the project activities. The delegation of procurement to communes and procurement with community participation method are always encouraged.

The responsibilities of provincial agencies involved in procurement are as follows:

a. Provincial People's Committees (PPCs)

- Perform the duties of the investment decision-making body as regulated by law.
- Approve the AWPB and the procurement plan of the project.
- Settle petitions in procurement, handle violations of the Procurement Law, and other provisions regulated by law.
- Cancel, suspend the bidding or not recognize the evaluation results when detecting violations of the Procurement Law or other provisions regulated by law.
- Conduct the inspection, supervision, and monitoring of the bidding process and contract implementation.

b. Investment Owner (PMUs)

- Prepare detailed plans and approve the cost estimates of activities after the AWPB and annual procurement plan are approved by authorities.
- Prepare a procurement plan for each package or group of packages and submit them to the competent authority for approval.
- Establish a Bid Evaluation Committee (BEC) and appraisal committee.
- Prepare, appraise, and approve Bidding Document (BD), Request for Proposal (RFP), Request for Quotation (RFQ), and Term of Reference (TOR).
- Organize bid openings, evaluate the bids/proposals, appraise and approve evaluation results, and notify the contractors of the selection results.
- Finalize and sign the contract with the selected bidder.
- Handle situations arising in the bidding process and contract performance.
- Monitor and supervise the process of contract performance, acceptance, payment and final project settlement documents according to regulations.
- Comply with Article 14, Chapter II of Decree No. 06/2021/ND-CP issued 26/1/2021 on the management of construction quality and maintenance of construction works.
- Hand over the outputs to the beneficial organization or individual, and monitor the process of use, operation, warranty, defects liability, and maintenance.

c. Lined Provincial Departments

- Play the roles of appraisal if assigned by the Provincial People's Committee.
- Appraise the AWPB and procurement plan.
- Coordinate with Thanh Hoa and Nghe An PMUs implementing the approved AWPB and procurement plan.

d. District People Committees (DPCs)

- DPCs coordinate with district divisions and Communal People's Committees (CPCs) in the project area in implementing project activities and clearing construction sites.

e. *Communal People Committees (CPCs)*

- Mobilize households to prepare clean land before the construction.

2.2.4. Contract Management Capability and Capacity

Contract management procedures follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 50/2021/ND-CP amended the Decree 37/2015/ND-CP, Decree 15/2021/ND-CP on management of investment projects and Decree 06/2021/ND-CP on quality control of construction works. Roles and responsibilities of the project management division and technical consultants for supervisions follow provisions specified under Decree 15/2021/ND-CP on management of investment projects.

Procedures for receipt/acceptance of deliverables and approval of payments follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 15/2021/ND-CP on management of investment projects, Decree 06/2021/ND-CP on quality control of construction works, and Decree 50/2021/ND-CP on contract management under investment projects.

Contractual Dispute Settlement procedures provide for amicable settlement and stipulate arbitration for contracts with contracted parties as specified in the standard contract formats.

Claim assessment procedures for initiating own claims or for verification of validity and costing of contractual claims filed by the contracted parties follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 15/2021/ND-CP on management of investment projects, Decree 06/2021/ND-CP on quality control of construction works, and Decree 50/2021/ND-CP on contract management under investment projects.

2.2.5. Complaints Management and Dispute Resolution Systems

The appeals body (the authorized person with assistance of the Procurement Advisory Committee) in charge of reviewing decisions of the specified first review body (the investment owner) issues final, enforceable decisions (Articles 91-92, Procurement Law 43/2013/QH13).

The time frames are specified for the submission and review of challenges and for appeals and issuing of decisions in Procurement Law and do not unduly delay the procurement process. The appeals body (the authorized person with assistance of Procurement Advisory Committee) is not involved in procurement transactions or in the process leading to contract award decisions (Articles 91-92, Procurement Law 43/2013/QH13). The appeal body does not charge fees that inhibit access by concerned parties.

Decisions are issued within the time frame specified in the law/regulations and binding on all parties. The appeal body is adequately resourced and staffed to fulfil its functions.

2.3. Market Analysis

The construction market in Vietnam is big with many consulting, suppliers, and construction companies in both state and private sectors. The construction of pumping stations, canal systems, and management roads is a commonplace construction technology in Vietnam. The construction of dyke is a commonplace construction technology in Vietnam as it has many river dyke and sea dyke systems and thousand years of history in dyke construction and rehabilitation. The construction materials can be provided locally. The tender for the construction of a pumping station, canal system, and management road with a contract size of

USD 1.5 - 5 million usually draws the interest of about 3 – 6 bidders. Each package will contain 1 – 3 schemes that will be suitable for management capacity.

Experience from projects which were implemented in Thanh Hoa and Nghe An Provinces, the contractors usually come from localities and nearby provinces. However, as the procurement will be advertised in the E-Procurement system, contractors from Hanoi and other provinces would also be interested.

3. Procurement Risk Analysis for abovementioned contract/group of similar contracts

Risk Description at the respective stage of the procurement process per each contract	A	B	Overall Risk Score A x B	Assessed Inherent Risk	Proposed Mitigation Measure/s throughout the Procurement Process	Net Risk (assuming full functioning of the mitigation measure/s)
	Likelihood of Occurrence	Impact upon Occurrence				
<i>a. Project preparation stage</i>						
Inadequate and poor technical inputs such as design, drawing, bill of quantity, specifications often lead to complication during the contract implementation.	L	L	L	This results in time and cost overrun, substandard output and dispute between the parties.	Ensure design, drawing, bill of quantity, specifications are prepared properly.	Less possibility of time and cost overrun, substandard output and dispute between the parties.
<i>b. Project implementation</i>						
Risk of less competition due to the preparation of bidding documents and specifications.	L	L	L	May lead to re-tendering	Prepare bidding document and specification only after proper market surveys. Conduct market hearings.	Less chances of cancellation of whole tendering process.
Risk of abnormally low bid prices.	L	M	M	In case of abnormally low bid, it increases the risk of contract failure and low-quality outputs.	Ensure proper criteria and good technical specifications, conduct thoroughly bid evaluation, and promote contract management for those	Possibility of bid submission with reasonable bid price.

Risk Description at the respective stage of the procurement process per each contract	A	B	Overall Risk Score A x B	Assessed Inherent Risk	Proposed Mitigation Measure/s throughout the Procurement Process	Net Risk (assuming full functioning of the mitigation measure/s)
	Likelihood of Occurrence	Impact upon Occurrence				
					contracts.	
Risk of slow in work progress/delay in implementation	M	M	M	Results in time and cost overrun.	Prepare realistic contract management plan. Promote contract administration and management.	Less possibility of slow in work progress/delay in implementation
Risk of low-quality work performance	M	M	M	Increase risk of non-payment of work done, disputes among parties.	Promote contract management on the acceptance of outputs. Promote construction supervision.	Results good quality work
Risk of low values of some pumping stations and associated systems that do not attract bidders' interest	L	L	L	Less competition	Group pumping stations and associated systems to make a package size of about USD 3 million/package	High competition

4. Procurement Objective for abovementioned contract/group of similar contracts

The procurement objectives of the abovementioned group of similar contracts are to ensure 5 rights, including the right price, right quality, right quantity, right delivery time and place, and right source.

Thanh Hoa Province proposed to upgrade 8 small pumping stations in Ha Trung and Hoang Hoa Districts. The 6 target districts in Nghe An Province proposed to upgrade 60 pumping stations along the Lam River. These pumping stations were built a long time ago and now are degraded. The main interventions are to build new pump houses, install new pumps, rehabilitate canal systems, and construct management roads to improve intercommunal transportation.

In Thanh Hoa, the 2 proposed pumping stations in Ha Trung District can be grouped in 1 contract with a cost of about USD 2.1 million. In Nghe An, the proposal ranges from the

replacement of pumps to newly constructed new pumping stations. Canal and management road systems will be mainly upgraded and rehabilitated. The biggest value of the systems is USD 2.3 million in Ru Ganh Commune of Nam Dan District. In general, pumping stations with the same types of pumps in a district can be grouped into 1 - 3 packages. The district that has fewer systems, such as Con Cuong District has only 1 system, will be grouped with the nearby Anh Son District, which proposed 4 systems. The district proposed more systems, such as Thanh Chuong with 20 systems, which will be divided into 3 – 4 packages based on locations to ease construction management.

Ha Trung District in Thanh Hoa Province plans to upgrade 9.8 km of the right dyke of the Hoat River in Ha Trung District. The left dyke system was upgraded by other sources and met the designed elevation. The proposal is to increase the elevation of the dyke to 0.8 m and expand the base of the dyke to the riverside. The cost estimate of this dyke system is USD 5.0 million. Hoang Hoa District in Thanh Hoa Province plans to upgrade the East and West dykes of the Cung River. The current cross-section is small and the elevation is 0.5 – 0.6 m lower than the designed elevation. The top of dyke systems and associated roads to communes will be lined with concrete for interconnection. Culverts will be upgraded and newly built to fit with the new expansion of the dyke body. The cost estimates of the East and West dyke systems are USD 4.3 million and USD 2.7 million, respectively.

5. Recommended Procurement Approach

Attribute	Selected arrangement	Justification Summary/Logic
Specifications (SECAP compliance)	Conformance	SECAP requirements must be met during the bidding stage and contract implementation. Need to mention the requirement in the PIM for the incorporation to ensure this is addressed by the borrower/recipient when procurement is undertaken.
Sustainability Requirements	Yes	Sustainability is required in tendering and contract implementation
Contract Type	Traditional based on Employer's/IA design	Contract types, such as fixed unit prices or lump sum will be applied
Pricing and costing mechanism	A. Fixed unit price B. Lump Sum	Fixed unit price
Supplier Relationship	Collaborative	Support suppliers through market sounding and consultation
Price Adjustments	Adjusted price	Contract duration will be more than 18 months.

Attribute	Selected arrangement	Justification Summary/Logic
Form of Contract (Terms and Conditions)	No special conditions of the contract are applied	
Selection Method for Goods and Works	A. Requests for Bids (RFB) B. Request for Quotations (RFQ) C. Direct contract (DC)	NS, NCB procurement method will be used
Selection Arrangement	A. Commercial Practices	
Market Approach	A. Type of Competition 1. Open 2. National B. Number of Envelopes/Stages 1. Two Envelopes 2. Single Stage 3. Negotiations (Yes)	
Pre / Post Qualification	A. Post-Qualification	All bids will be subjected to post qualification.
Consultant's Selection and Evaluation Method	A. Quality Cost Based Selection (QCBS) B. Fixed Budget Based Selection (FBS) C. Least Cost Based Selection (LCS) B. Direct Selection	These methods are main methods for procurement of consulting services.
Evaluation of Costs	A. Adjusted Bid Price (corrected for a bidder's minor deviations)	
<ul style="list-style-type: none"> Domestic Preference 	Yes	15%
<ul style="list-style-type: none"> Rated Criteria 	List the type of criteria to be used (mandatory/desired)	Qualification, experience, and finance

Appendix 2.b: Procurement Risk Matrix (PRM)

Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An (CRWIS)

IFAD PRM -Part A Country Level

Based on MAPS II– ASSESSMENT OF NATIONAL PROCUREMENT SYSTEM

Indicator # and Sub-Indicator #	Sub-Indicator Description ¹	Findings regarding possible non-compliance with IFAD PPP	Inherent Risk of non-compliance with Project Objectives & IFAD PPP	Proposed Mitigation measure/s	Net Risk
Pillar I – Legal, Regulatory and Policy Framework					
1	The public procurement legal framework achieves the agreed principles and complies with applicable obligations.				
1(a)	Scope of application and coverage of the legal and regulatory framework	<ul style="list-style-type: none"> - Procurement Law 43/2013/QH13 issued in 2013; - The law includes goods, works, and services and PPP; - Decree 63/2014/ND-CP on guidance for implementation of Procurement Law; - Circular No. 08/2022/TT-BKHĐT dated 31/5/2022 on E-Procurement and more than other 15 circulars on guidance for goods/works/services/non-consulting services procurement processes (advertisement, procurement planning, e-procurement, selection of investors for PPP contracts, etc.); - All procurement legal and regulatory documents (in Vietnamese) are accessible at the National Procurement Portal https://muasamcong.mpi.gov.vn - The new Procurement Law 22/2023/QH15 issued on 23/6/2023 will be effective on 1/1/2024 and will replace the current procurement law. Guidance for implementation of the new law is under preparation. 	M	GOV to develop instructions for the application of the new public procurement law.	M
1(b)	Procurement methods	<ul style="list-style-type: none"> - Procurement methods for work contracts (ICB, NCB, and Shopping) are consistent with IFAD project procurement guidelines. Advertisement is required for normal shopping (less than VND 5 billion), but not required for simplified shopping (less than VND 500 million), Article 57, 58 and 59 Decree 63/2014/ND-CP. - Procurement methods for services include QCBS, FBS, LCS, and SSS. The CQS method is not available in national system. - Fractioning of contracts to limit competition is prohibited (Article 89 of Procurement Law). - Direct contract can be applied in special cases or very small contract (less than VND 1 billion for goods and works contract, less than VND 500 million for consulting services and non-consulting service contracts), Article 54, Decree 63, 2014/ND-CP. 	S	<p>The PAL will specify provisions for application of different procurement methods and direct contracting/single source selection.</p> <p>Use IFAD standard RFP for CQS method.</p>	S
1(c)	Advertising rules and time limits	<ul style="list-style-type: none"> - Procurement opportunities are publicly advertised in E-Procurement system. The content published includes enough information to allow potential bidders to determine whether they are able to submit bids and are interested in submitting bids. - Minimum of 40 days for international bidding, and 20 days for national bidding (as specified in Article 12, Procurement Law 43/2013/QH13. - Minimum of 10 days for small contracts, i.e. value equal or less than VND 10 	L		L

¹ The Indicators and Sub-Indicators are extracted from OECD-MAPS II of 2017 in order to harmonize with other MDBs and to save time and effort in conducting Part A assessments in case a recent MAPS II assessment has been conducted for the borrower's country system. The criteria to be applied in assessing each Sub-Indicator are those of OECD-MAPS II.

Indicator # and Sub-Indicator #	Sub-Indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
		billion for goods and non-consulting services contracts and VND 20 billion for works contracts. - EOI: minimum of 10 days for national bidding and 20 days for international bidding.			
1(d)	Rules on participation	- Bidder's eligibility requirements are specified in Article 5 of the Procurement Law 43/2013/QH13 and elaborated in the standard bidding documents. - All eligible contractors can participate with no barriers; - No rules are established for the participation of state-owned enterprises.	M	Establish rules for participation of SOEs	M
1(e)	Procurement documentation and specifications	- Standard bidding documents/RFPs (in Vietnamese) for goods/ works/ consulting services/ non-consulting services are accessible via the National Procurement Portal https://muasamcong.mpi.gov.vn . - Mention of specific trademarks and/or origin of goods in the bidding document are not allowed, alternatively "or similarly" phrase shall be included (Article 12, Decree 63/2014/ND-CP). - Potential bidders are allowed to request a clarification of the procurement document, and the procuring entity is required to respond in a timely fashion in writing. Request for bidding document clarifications must be submitted 3 days before bid closing for national tender and 5 days for international tender.	L		L
1(f)	Evaluation and award criteria	- The evaluation criteria are indicated in the standard bidding document/RFP (Article 7, Procurement Law 43/2013/QH13). Details are specified in bidding documents attached to the Circular No. 08/2022/TT-BKHDT dated 31/5/2022 issued by MPI. - The consideration of life-cycle cost can be applied (Article 39, Procurement Law 43/2013/QH13). - Quality is a major consideration in evaluating proposals for consulting services, and clear procedures and methodologies for assessment of technical capacity are defined. - As regulated by law, during the period of the evaluation, information on the examination, clarification and evaluation of bids/proposals is not disclosed to participants or to others not officially involved in the evaluation process.	L		L
1(g)	Submission, receipt and opening of tenders	- Bid opening is conducted within one hour from the bid submission deadline; Bid opening minutes are sent to all bidders who submitted bids; Security and confidentiality of bids is maintained prior to bid opening and until after the notice of contract award (Article 14, Decree 63/2014/ND-CP). - Bid opening for e-Procurement is conducted on the National Procurement Portal within 02 hours from the bid submission deadline (Circular 08/2022/TT-BKHDT). - The modality of submitting tenders and receipt by the government is well defined.	L		L
1(h)	Right to challenge and appeal	- Participants in procurement proceedings have the right to challenge decisions or actions taken by the procuring entity. - Procedures and timeframe for settlement of procurement challenges and appeals are specified in Articles 91 and 92 of Procurement Law 43/2013/QH13, and Articles 118-120 of Decree 63/2014/ND-CP.	L		L

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
		<ul style="list-style-type: none"> - Rules establish time frames for the submission of challenges and appeals and for issuance of decisions by the institution in charge of the review and the independent appeals body. - The independent advisory committee will be formed by the authorized person for settlement of procurement appeals against the 1st decision made by the procuring entity. - Applications for appeal and decisions are made in writing. 			
1(i)	Contract management	<ul style="list-style-type: none"> - Standard contract format is included in the standard bidding document/RFQ with provisions on contract amendments and dispute resolves. - Decree 50/2021/ND-CP dated 1/4/2021 on construction contract; - Circular 02/2023/TT-BXD dated 3/3/2023 on construction contract; - Conditions for contract amendments are defined; - There are efficient and fair processes to resolve disputes promptly during the performance of the contract. 	L		L
1(j)	Electronic Procurement (e-Procurement)	<ul style="list-style-type: none"> - A roadmap for applying E-procurement (Circular 08/2022/TT-BKHDT dated 31 May 2022): (i) in 2023: E-procurement shall be applied for NCB and shopping packages of all goods, works, non-consulting services and consulting services having the bid package price below VND200 billion; at least 90% in total number of packages and at least 80% in total value of all NCB and shopping packages; (iii) from 2024 onwards: E-procurement shall be applied for NCB and shopping packages of all goods, works, non-consulting services and consulting services having the bid package value below VND500 billion; at least 95% in total number and at least 90% in total bid price of all NCB and shopping packages. - The national e-Procurement system has not yet developed function for the international biddings because currently it supports only Vietnamese language. 	M	E-procurement system to include functions for international biddings	M
1(k)	Norms for safekeeping of records, documents and electronic data.	<ul style="list-style-type: none"> - Procurement documents and records are archived for at least 03 years after the contract liquidation (Article 10, Decree 63/2014/ND-CP). 	L		L
1(l)	Public procurement principles in specialized legislation	<ul style="list-style-type: none"> - Processes and procedures for the selection and contracting of public private partnerships (PPP) are specified in the Procurement Law 43/2013/QH13 and Decree 25/2020/ND-CP. - Centralized procurement, purchasing medicines, public procurement using recurrent budgets are specified in the Procurement Law 43/2013/QH13 and Decree 63/2014/ND-CP. 	L		L
2	Implementing regulations and tools support the legal framework				
2(a)	Implementing regulations to define processes and procedures conditions	<ul style="list-style-type: none"> - Decree 63/2014/ND-CP on guidance for implementation of Procurement Law; More than 15 circulars on guidance for goods/works/services/non-consulting services procurement processes (advertisement, procurement planning, e-procurement, selection of investors for PPP contracts, etc.); - All procurement legal and regulatory documents (in Vietnamese) are updated and can be accessible at the National Procurement Portal https://muasamcong.mpi.gov.vn . 	L		L
2(b)	Model procurement	<ul style="list-style-type: none"> - Standard bidding documents/RFPs (in Vietnamese) for goods/ works/ 	L		L

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	documents for goods, works and services	consulting services/ non-consulting services are accessible via the National Procurement Portal https://muasamcong.mpi.gov.vn . - Ministry of Planning (MPI) is responsible to update and maintain the documents.			
2(c)	Standard contract	- Standard contract formats are included in the bidding document/RFQ with provisions on contract amendments and dispute resolves (Circular No. 08/2022/TT-BKHĐT dated 31/5/2022). - Standard contract conditions are an integral part of the procurement documents and made available to participants in procurement proceedings. - The standard contract format included in bidding documents (Circular No. 08/2022/TT-BKHĐT dated 31/5/2022) is not used in contract stage, where contract template issued by Circular 02/2023/TT-BXD dated 3/3/2023 is used instead. - The contents of the standard contract conditions are generally consistent with internationally accepted practice.	L		L
2(d)	User's guide or manual for procuring entities (insert link to manual if possible)	- More than 15 circulars on guidance for goods/works/services/non-consulting services procurement processes (advertisement, procurement planning, e-procurement, selection of investors for PPP contracts, etc.) ; - Some video clips guiding e-Procurement processes are available in the National Procurement Portal https://muasamcong.mpi.gov.vn .	L		L
3	The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations				
3(a)	Sustainable Public Procurement (SPP)	- Green procurement is indicated in the Government Resolution 13/NQ-CP in 2020 on Sustainable Development Goals to 2030. Optional (technical and financial) valuation criteria on sustainable procurement are indicated in the standard bidding document under Circular 08/2022/TT-BKHĐT. - The national procurement framework has limited provisions on sustainable procurement	M	Promote green procurement by introducing SPP criteria	M
3(b)	Obligations deriving from international agreement	- Public procurement obligations relating to Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are defined in Decree 09/2020/ND-CP and its annexes	L		L
Consolidated findings for Pillar I		Legal, regulatory and policy framework are clear and mainstreamed with international procurement practices. There are some inconsistencies on applicable procurement methods for consulting service (particularly CQS) and thresholds for applying direct contracting and SSS; and regulations on sustainable procurement.	M	Mitigation measures taken	M
Pillar II – Institutional Framework and Management Capacity					
4	The public procurement system is mainstreamed and well-integrated with the public financial management system				
4(a)	Procurement planning and the budget cycle	- Three-year and annual budget plans are prepared by state line agencies. However, budget funds are not always appropriated in a timely manner and cover the full amount of the annual planned activities. - The procurement plan can be prepared for the entire project or for a number of bidding packages that must be implemented first (Article 30, the Procurement Law 43/2013/QH13). - A feedback mechanism reporting on budget execution is in place. Procuring	M	Taking into account issues of inappropriate annual budget allocations into the entire project planning and the annual work plan and budget planning.	M

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
		entities have to report on the use of public investment budget to authorities every quarter.			
4(b)	Financial procedures and the procurement cycle	- No solicitation of tenders/proposals takes place without certification of the availability of funds (Article 7, the Procurement Law 43/2013/QH13).	L		L
5	The country has an institution in charge of the normative/regulatory function				
5(a)	Status and legal basis of the normative/ regulatory institution function	- The normative/regulatory functions are clearly assigned to ministries and line agencies within the government - At localities, the normative/regulatory functions are assigned to provincial, district, and communal authorities.	L		L
5(b)	Responsibilities of the normative/regulatory function	- The Department of Public Procurement under Ministry of Planning and Investment (MPI) takes overall responsibilities of the procurement-related normative/regulatory functions at national level. - MPI provides advice to procuring entities, drafting procurement policies, monitoring public procurement, providing procurement information, developing supports for improvements of the public procurement systems, supporting the professionalization of the procurement function, and managing on-line platform and e-Procurement system.	L		L
5(c)	Organization, funding, staffing, and level of independence and authority	- The institution's internal organization, authority and staffing the Department of Public Procurement under the MPI are sufficient and consistent with its responsibilities.	L		L
5(d)	Avoiding conflict of interest	- The Department of Public Procurement is structured and functioned for separation of duties and to avoid conflicts of interest.	L		L
6	Procuring entities and their mandates are clearly defined.				
6(a)	Definition, responsibilities and formal powers of procuring entities	- Definition of procuring entities is showed in Article 4, Procurement Law 43/2013/QH13. Responsibilities and formal power of procuring entities are clearly defined in Articles 75 and 79, Procurement Law 43/2013/QH13, and Article 16, Decree 63/2013/ND-CP. - Competencies of procurement staff and procuring entities are clearly defined in Articles 16, 113-115 of Decree 63/2013/ND-CP.	L		L
6(b)	Centralized procurement body	- Legal status, funding, responsibilities and decision-making powers of centralized procurement units at national and provincial levels are clearly defined (Article 44, Procurement Law 43/2013/QH13; Articles 68-72, Decree 63/2014/ND-CP; Circular 35/2016/TT-BTC)	L		L
7	Public procurement is embedded in an effective information system				
7(a)	Publication of public procurement information supported by information technology	- The centralized online National Procurement Portal (https://muasamcong.mpi.gov.vn) that provides up-to-date information and is accessible to all interested parties. The procurement information is provided with no cost. - The procurement portal provides procurement plan, procurement notices, procurement results, and rules and regulations. - Procuring entities and bidders are required to register and pay annual fees for	L		L

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
		putting procurement information in the national procurement portal and carrying out e-Procurement.			
7(b)	Use of e-Procurement	<ul style="list-style-type: none"> - e-Procurement is progressively implemented in the country at all levels of government. - A roadmap for applying E-procurement (Circular 08/2022/TT-BKHDT dated 16 December 2019): (i) in 2023: E-procurement shall be applied for NCB and shopping packages of all goods, works, non-consulting services and consulting services having the bid package price below VND 200 billion; at least 90% in total number and at least 80% in total bid price of all NCB and shopping packages; (ii) from 2024 onwards: E-procurement shall be applied for NCB and shopping packages of all goods, works, non-consulting services and consulting services having the bid package price below VND 500 billion; at least 95% in total number and at least 90% in total bid price of all NCB and shopping packages. - Government officials have the capacity to plan, develop and manage e-Procurement systems. Procurement staff is adequately skilled to reliably and efficiently use e-Procurement systems. Suppliers (including micro, small and medium-sized enterprises) participate in a public procurement market. - The national e-Procurement system has no function for the international advertised contracts because the system supports only Vietnamese language. Currently, the Vietnam e-Procurement system is under upgrading its function for cross discount for multiple lot contracts. 	M	E-procurement system to include functions for international biddings	M
7(c)	Strategies to manage procurement data	<ul style="list-style-type: none"> - The online National Procurement Portal including e-Procurement functions was being in operation for collecting data on the procurement of goods, works and services, including consulting services. 	L		L
8	The public procurement system has a strong capacity to develop and improve				
8(a)	Training, advice and assistance	<ul style="list-style-type: none"> - Department of Public Procurement under the MPI issues procurement practice certificates - Centre for Procurement Support under National Procurement Agency provides procurement training programs - Procurement related issues can be submitted to the National Procurement Agency for consultation - A Help Desk function to resolve procurement-related questions by procuring entities, suppliers and the public is available (https://chinhsachonline.chinhphu.vn/) 	L		L
8(b)	Recognition of procurement as a profession	<ul style="list-style-type: none"> - Specialized procurement institutions are defined in Article 32, Procurement Law 43/2013/QH13 and Articles 113-115, Decree 63/2014/ND-CP. - Regular examinations for awarding professional procurement certifications are organized by the Department of Public Procurement under the MPI. - Procurement is recognized as a profession 	L		L
8(c)	Monitoring performance to improve the system	<ul style="list-style-type: none"> - A performance management system with several monitoring indicators is a part of the online National Procurement Portal (https://muasamcong.mpi.gov.vn). 	L		L

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
Consolidated findings for Pillar II		Institutional framework and management capacity of public procurement are satisfactory with current some constraints on annual budget allocations for implementation of planned procurement activities and the application of e-Procurement for international biddings.	M	Mitigation measures taken	M
Pillar III – Public Procurement Operations and Market Practices					
9	Public procurement practices achieve stated objectives				
9(a)	Procurement Planning	<ul style="list-style-type: none"> - Needs analysis and market research guide a proactive identification of optimal procurement strategies. - The requirements and desired outcomes of contracts are clearly defined in a procurement plan. Instructions for preparation, appraisal and revision of procurement plans including the procurement plan template are specified in Circular 10/2015/TT-BKHDT. 	L		L
9(b)	Selection and contracting	<ul style="list-style-type: none"> - Multi-stage procedures are used in complex procurements. - Bidding document/ RFP/ RFQ shall be attached to the procurement notice advertised on National Procurement Network (Article 14, Circular 08/2022/TT-BKHDT). - Procedures for bid submission, receipt and opening are clearly described in the bidding documents. E-Procurement is broadly applied for public procurement activities. Contract awards are announced on National Procurement Network as required (Article 19, Circular 08/2022/TT-BKHDT). - Throughout the bid evaluation and award process, confidentiality is ensured. However, sometimes the bid evaluation information is disclosed. - Contract awards are announced as prescribed. - The inclusion of sustainability considerations in contract clauses has not been promoted. - Contract clauses provide incentives for exceeding defined performance levels and disincentives for poor performance. - The selection and award process are carried out effectively, efficiently and in a transparent way. 	L		L
9(c)	Contract management in practice	<ul style="list-style-type: none"> - Inspection, quality control, supervision of work and final acceptance of products is carried out with records. - Delays in contract implementations are quite often. - Invoices are examined, time limits for payments comply with good international practices, and payments are processed as stipulated in the contract. However, delays in payments occurred due to comprehensive procedures. - Contract amendments are reviewed, issued when needed. - Procurement statistics are not available. 	M	<p>Promote the monitor of contract implementation progress and follow-up actions.</p> <p>Promote the publication of procurement data, including contractors who are delayed in contract implementation or do not fulfil contract obligations.</p>	M
10	The public procurement market is fully functional				
10(a)	Dialogue and partnerships between public and private	<ul style="list-style-type: none"> - The government encourages open dialogue with the private sector. The formal mechanisms are available for open dialogue through associations (Vietnam 	M	GOV to establish programmes to build capacity for private companies	M

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	sector	Chamber of Commerce and Industry VCCI, website: http://vibonline.com.vn/), including consultative process when formulating changes to the public procurement system. - The government does not have programmes to help build capacity for private companies, including small enterprises and businesses, and training to help new entries into the public procurement marketplace.		to help new entries into the public procurement marketplace.	
10(b)	Private sector's organization and access to the public procurement market	- The private sector is competitive, well-organized, willing and able to participate in the competition for public procurement contracts. - There are no major systemic constraints inhibiting private sector access to the public procurement market - Total 115,000 bidders/suppliers/consultants and 38,000 procuring entities were registered on National Procurement Portal by 31 December 2020 (https://baodauthau.vn/)	L		L
10(c)	Key sectors and sector strategies	- Issues and risks associated with processes and procedures for selection of PPP investors/bidders are assessed by the government. Consequently, the PPP Investment Law 64/2020/QH14 was promulgated in June 2020; - No key sectors associated with the public procurement market are identified by the government. - Risks associated with certain sectors and opportunities to influence sector markets are not assessed. Some sectors often have problems such as health and transport.	M	Identify the procurement risks of key sectors and engage supports of procurement policy objectives.	M
Consolidated findings for Pillar III		Overall, public procurement operations and market practices is effective and efficient. Promote the publication of contractors' performance capacity building programme for private sector.	M	Mitigation measure taken	M
Pillar IV – Accountability, Integrity and Transparency of the Public Procurement System					
11	Transparency and civil society engagement strengthen integrity in public procurement				
11(a)	Enabling environment for public consultation and monitoring	- The direct consultative process targets mainly national and sub-national government agencies and private sector when formulating changes to the public procurement system. Civil society can engage in the consultative process via the ministerial websites. - The consultation takes place in developing new procurement law and instruction decrees.	L		L
11(b)	Adequate and timely access to information by the public	- All stakeholders have adequate and timely access to information in each phase of the public procurement process related to specific procurements via the online National Procurement Portal https://muasamcong.mpi.gov.vn .	L		L
11(c)	Direct engagement of civil society	- The legal/regulatory and policy framework allows and encourage citizens to participate in socio-economic development planning and community supervisions for implementation of investment projects (Article 75, Public Investment Law 39/1019/QH14, and Article 86, Decree 29/2021/ND-CP). - The participation is mainly in contract implementation through the participation in supervision, such as Father Land Front Association.	L		L

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
12	The country has effective control and audit systems				
12(a)	Legal framework, organization and procedures of the control system	<ul style="list-style-type: none"> - Laws and regulations that establish a comprehensive control framework, including internal controls, internal audits, external audits and oversight by legal bodies (State Audit Law 81/2015.QH13; Independent Audit Law 67/2011/QH12; Decree 05/2019/ND-CP on Internal Audit). - There is ample evidence on independent external audits provided by the country's Supreme Audit Institution (SAI) that ensure appropriate oversight of the procurement function. - Government and provincial inspectors also oversight the procurement function. - Concerned parties will be responsible for addressing the recommendations made by the audit and inspector. 	L		L
12(b)	Co-ordination of controls and audits of public procurement	<ul style="list-style-type: none"> - Clear and reliable reporting lines to relevant oversight bodies exist. Focal points for monitoring and overseeing public procurement activities are Ministry of Planning and Investment (MPI) at national level and Department of Planning and Investment (DPI) at provincial level (Articles 125-126, Decree 63/2014/ND-CP, Circular 10/2016/TT-BKHDT). - There are no written standards and procedures (e.g. a manual) for conducting procurement audits (both on compliance and performance) to facilitate coordinate and mutually reinforcing auditing. However, it review all the procurement process. - State audit and state inspector are carried out periodically not annually. 	L		L
12(c)	Enforcement and follow-up on findings and recommendations	<ul style="list-style-type: none"> - A procurement inspection/oversight report with conclusions shall be prepared after the inspection/oversight mission. - The procurement oversight agency is responsible for monitoring the correction of shortcomings (if any) mentioned in the inspection conclusion. In case of detecting violations, it is necessary to propose handling measures or transfer to an inspection and investigation agency for handling according to regulations (Article 125, Decree 63/2014/ND-CP, Circular 10/2016/TT-BKHDT). - Concerned agencies, e.g. ministries, provincial government, provincial lined departments, and project management units will follow-up on findings and recommendations. 	L		L
12(d)	Qualification and training to conduct procurement audits	<ul style="list-style-type: none"> - External auditors are trained by programmes established by state audit. - The certified auditors must have auditor practice certificate in order to carry out procurement audits. 	L		L
13	Procurement appeals mechanisms are effective and efficient				
13(a)	Process for challenges and appeals	<ul style="list-style-type: none"> - The appeals body (the authorized person with assistance of the Procurement Advisory Committee) in charge of reviewing decisions of the specified first review body (the investment owner) issues final, enforceable decisions (Articles 91-92, Procurement Law 43/2013/QH13). - Decisions are rendered on the basis of available evidence submitted by the parties. 	L		L

Indicator # and Sub-Indicator #	Sub-indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
		<ul style="list-style-type: none"> - The time frames are specified for the submission and review of challenges and for appeals and issuing of decisions in Procurement Law and do not unduly delay the procurement process. 			
13(b)	Independence and capacity of the appeals body	<ul style="list-style-type: none"> - The appeals body (the authorized person with assistance of Procurement Advisory Committee) is not involved in procurement transactions or in the process leading to contract award decisions (Articles 91-92, Procurement Law 43/2013/QH13). - The appeal body does not charge fees that inhibit access by concerned parties. - Decisions are issued within the time frame specified in the law/regulations and binding on all parties. - The appeal body is adequately resourced and staffed to fulfil its functions. 	L		L
13(c)	Decisions of the appeals body	<ul style="list-style-type: none"> - The decisions on misprocurement are published on the online National Procurement Portal https://muasamcong.mpi.gov.vn/web/guest/organizations-violators (Article 8, Procurement Law 43/2013/QH13). 	L		L
14	The country has ethics and anti-corruption measures in place				
14(a)	Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability and penalties	<ul style="list-style-type: none"> - Definitions of fraud, corruption and other prohibited practices in procurement, consistent with obligations deriving from legally binding international anti-corruption agreements. - Prohibited practices, conflicts of interest and associated responsibilities, accountability and penalties in procurement are specified in Articles 6, 89 and 90, Procurement Law 43/2013/QH13; Articles 121-124, Decree 63/2014/ND-CP. 	L		L
14(b)	Provisions on prohibited practices in procurement documents	<ul style="list-style-type: none"> - Standard bidding documents/RFPs include provisions on fraud, corruption and other prohibited practices, as specified in the procurement regulatory framework. Bidder's commitment "Do not commit acts of corruption, bribery, collusion, obstruction and other violations of the Law on Bidding when participating in the bidding package" is included in the bid form of the standard bidding document. - A form on integrity commitment on BEC's member is included in the bid evaluation report form (Circular 23/2015/TT-BKHDT). 	M	<p>Include IFAD's templates of self-certification forms for bidders and contractors in the bidding document/RFP and contract documents.</p> <p>Apply FIRCO check on bidders and vendors in post and prior review cases.</p>	M
14(c)	Effective sanctions and enforcement systems	<ul style="list-style-type: none"> - Procuring entities are required to report allegations of fraud, corruption and other prohibited practices to law enforcement authorities. - Mis-procurement cases are put on the online national procurement portal and "Dau Thau" Newspaper (Article 8, Procurement Law 43/2013/QH13): https://muasamcong.mpi.gov.vn/web/guest/organizations-violators. Total 457 violated individual and entities are publicly published during the period of October 2009 – September 2023. - Procuring entities and procurement inspection/oversight units are required to report allegations of fraud, corruption and other prohibited practices to law enforcement authorities (Article 125, Decree 63/2014/ND-CP, Circular 10/2016/TT-BKHDT). 	L		L

Indicator # and Sub-Indicator #	Sub-Indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
14(d)	Anti-corruption framework and integrity training	<ul style="list-style-type: none"> - An anti-corruption framework to prevent, detect and penalize corruption in government that involves the Anti-corruption Unit in the Governmental Inspection Agency, the Anti-corruption Unit in the People's Supreme Procuratorate and the State Audit Agency (Anti-corruption Law 36/2018/QH14, Decree 59/2019/ND-CP). - As part of the anti-corruption framework, annual reports on the implementation of procurement are prepared. - No special integrity training programmes are offered and the procurement workforce regularly participates in this training. 	M	Promote special integrity training programmes	M
14(e)	Stakeholder support to strengthen integrity in procurement	<ul style="list-style-type: none"> - Community Supervision Boards and People's Inspection Committees are actively providing oversight and social control in public investment and procurement (Article 77, Anti-corruption Law 36/2018/QH14). - There is evidence that civil society contributes to shape and improve integrity of public procurement. - Suppliers and business associations actively support integrity and ethical behaviour in public procurement by cross checking each others. 	L		L
14(f)	Secure mechanisms for reporting prohibited practices or unethical behavior	<ul style="list-style-type: none"> - There are accessible and confidential channels for reporting cases of fraud, corruption or other prohibited practices or unethical behavior (Articles 65-66, Anti-corruption Law 36/2018/QH14). - There are legal provisions to protect whistle-blowers (Article 67, Anti-corruption Law 36/2018/QH14). 	L		L
14(g)	Codes of conduct/codes of ethics and financial disclosure rule	<ul style="list-style-type: none"> - Codes of conduct are promulgated by state agencies at national level and enterprises (Articles 20, 21 and 79, Anti-corruption Law 36/2018/QH14). - Government staffs are required to disclosed their assets and incomes (Articles 33-40, Anti-corruption Law 36/2018/QH14) and a functioning system that serves to follow up on disclosures. - Government officials involved in public procurement do not have to sign on Codes of conduct/codes of ethics. Only the bid evaluators have to sign on the commitment of undertakings. - There is are regular training programmes offered to ensure sustained awareness and implementation of measures. 	M	Government officials involved in public procurement shall be requested to sign on the Codes of conduct/codes of ethics.	M
Consolidated findings for Pillar IV		Overall, the public procurement system operates with integrity, that has appropriate controls, and that has appropriate anti-corruption measures in place. There are some constraints on engagement of civil society in the consultative process for procurement policy development, provisions on fraud, corruption and other prohibited practices in consistence with IFAD policies.	M		M
Consolidated findings at country level			M		M

IFAD PRM – Part B Project Level

ASSESSMENT OF THE PROJECT'S PROCUREMENT IMPLEMENTATION ARRANGEMENTS

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
1	ASSESSMENT OF PROJECT COMPLEXITY				
1(a)	Project is new of its kind and introduces new procurement methodologies	<ul style="list-style-type: none"> - This Project is not new of its kind. Many ODA funded projects and GOV projects had similar activities. - No new procurement methods were introduced. The procurement mainly followed Procurement Law of GOV and in line with IFAD Project Procurement Guidelines. 	L		L
1(b)	Project investment value is high and includes substantial inter-dependent procurement contracts that require advanced sequencing and coordination skills	<ul style="list-style-type: none"> - Project investment activities have medium values and low values (dyke upgrade and rehabilitation, small-scale pumping stations, canal systems, and management roads). - Average value of dyke construction package is USD 4 million and USD 1.5 million for pumping station and canal systems. - There are no inter-dependent procurement contracts that require advanced sequencing and coordination skills. 	L		L
1(c)	Project area is geographically spread in different locations	<ul style="list-style-type: none"> - Yes. Project activities cover 2 districts in Thanh Hoa Province and 6 districts in Nghe An Province. - The districts in Nghe An Province spread along the Lam River that cover mountainous and midland areas. 	M	<ul style="list-style-type: none"> - 2 PPCs to establish project steering committees to coordinate concerned departments. - Promote coordination among provincial, district, and communal levels. 	M
1(d)	Project includes a number of implementing partners and cooperating agencies	<ul style="list-style-type: none"> - Yes. Provincial People's Committees as lead executing agencies at the provincial level. - The Project will be implemented by Thanh Hoa Agriculture and Rural Development Investment and Construction Management Board (Thanh Hoa PMU) under Thanh Hoa PPC and Nghe An Agriculture and Rural Development Investment and Construction Management Unit (Nghe An PMU) under Thanh Hoa DARD. - Provincial line agencies (DARD, DPI, DONRE, WU, FU), project DPCs and CPCs, agriculture enterprises/cooperatives, will participate in project implementations. 	M	Thanh Hoa and Nghe An PMUs to promote the coordination.	M
1(e)	Project involves community participation in procurement activities which calls for detailed monitoring requirements by IA	<ul style="list-style-type: none"> - Procurement activities will be conducted by Thanh Hoa PMU and Nghe An PMU. - Community will not participate in procurement activities. 	L		L
1(f)	Project is classified with High or Substantial SECAP risks (including security risks)	<ul style="list-style-type: none"> - The project activities are classified as Category B/ Substantial SECAP risks (SECAP Review Note, PDR). 	M	Procurement staff of Thanh Hoa and Nghe An PMUs to be trained on SECAP and ensure the compliance with SECAP requirements. IFAD supervision missions to review and check SECAP compliance.	M
1(g)	Project is in a Fragile State with weak governance structures	Yes. The Project is now in the preparation stage, which is a Fragile State with weak governance structures.	M	PPCs to consolidate the structure of the Project after the Project is approved.	M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
Overall Assessment of the risk posed by Criterion 1		The Project is geographically spread and includes a number of implementing partners. The Project contains substantial SECAP risks and is in fragile state.	M	Mitigation measures taken	M
- ASSESSMENT OF IMPLEMENTING AGENCY CAPACITY (Process/Procedures, Personnel and Performance/Product - 3Ps)					
2.1	PROCESS/PROCEDURES				
2.1.1	ASSESSMENT OF IA's Procurement Legal & Regulatory Frameworks (Procurement Rules, Methods and Processes)				
	<i>(Section 2.1.1 is to be filled only if the IA is an autonomous national agency or a private entity which is allowed to have a separate legal framework for procurement other than the national procurement law/regulations which was assessed under Part A) – Not applicable for CSSP Project.</i>				
Overall Assessment of the risk posed by Criterion 2.1.1		N/A			
2.1.2	IA's Procurement Strategy and Procurement Planning Process				
2.1.2(a)	The IA's preparation of its annual procurement plan is preceded by conceptualization of a Procurement Strategy based on market research, previous experience and own capacity assessments	<ul style="list-style-type: none"> - Procurement plans are prepared based on work plans and budgets, market research, previous experience, and implementation capacity. - Preparation of procurement strategy is not specified under the Procurement Law (43/2013/QH13) for implementation of public investments. 	M	Procurement plans are to be prior-reviewed to ensure compliance with the PAL, AWPB, and procurement risk assessment.	M
2.1.2(b)	IA's procurement plans are prepared ahead of time and in tandem with request for budget appropriation to MOF (or competent authority in case on autonomous bodies).	<ul style="list-style-type: none"> - Yes. The PP is prepared ahead of time and in tandem with budget allocation. - An annual budget plan is synthesized by each PPC based on budget plans of line agencies and submitted to MPI/MOF for review and then endorsed by the National Assembly Standing Committee. - A procurement plan can be prepared for the entire project/sub-project or for several activities that will be implemented in advance under a project. 	L		L
2.1.2(c)	IA's procurement department staff participate in the annual work planning processes	<ul style="list-style-type: none"> - Procurement staff in Thanh Hoa PMU and Nghe An PMU participate in preparation of annual work planning process. 	L		L
2.1.2(d)	The project's Procurement Strategy adequately addresses project complexity, IA's internal capacity and experience as well as market supply capacity	<ul style="list-style-type: none"> - Preparation of procurement strategy is not mandatory for public investment activities in Vietnam. 	M	Procurement plans are to be prior-reviewed to ensure compliance with the PAL, AWPB, and procurement risk assessment.	M
2.1.2(e)	IA's procurement plan for the project is consistent with the project's annual work plan/budget (AWPB)	<ul style="list-style-type: none"> - The procurement plan will be prepared based on the project's annual work plan/budget (AWPB). Currently, the project has not been approved yet. 	L		L
2.1.2(f)	IA's Procurement Plans follow an effective format with planned and actual rows for	<ul style="list-style-type: none"> - The procurement plan template specified under Circular 10/2015/TT-BKHDT) - IFAD procurement plan template will be used and upload to 	M	Provide coaching, on-the-job training and refresher training on the use of OPEN system.	M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	tracking progress achieved across the 3 different categories of procurement	OPEN.			
Overall Assessment of the risk posed by Criterion 2.1.2		Procurement strategy is not specified in Procurement Law. Procurement planning process will be consistency with IFAD's procurement strategy and AWPB.	M	Mitigation measures taken	M
2.1.3	Procurement Management and Contract Administration systems and internal control /audit procedures				
2.1.3(a)	IA's standard contracts for procurement of Goods, Works and Services generally consistent with IFAD contracts	<ul style="list-style-type: none"> - Standard contracts of goods, works, consulting services and non-consulting services (Circulars 08/2023/TT-BKHDT dated 31/5/2022, 02/2023/TT-BXD dated 3/3/2023) are generally consistent with IFAD contract templates. - Standard bidding documents/RFPs include provisions on fraud, corruption and other prohibited practices, as specified in the procurement regulatory framework. Bidder's commitment "Do not commit acts of corruption, bribery, collusion, obstruction and other violations of the Law on Bidding when participating in the bidding package" in the bid form of the standard bidding document. - A form on integrity commitment on BEC's member is included in the bid evaluation report form (Circular 23/2015/TT-BKHDT). 	M	Include IFAD's templates of self-certification forms for bidders and for contracts in the bidding document/RFP and contract documents.	M
2.1.3(b)	IA's standard contracts for procurement of Goods, Works and Services implement IFAD's SECAP requirements	<ul style="list-style-type: none"> - Requirements on social and environmental due diligence for public investment projects are specified under the Law of Environment Protection (72/2020/QH14) and under-law regulations. - The new Procurement Law specify requirements on sustainable procurement that includes SECAP requirements. - SECAP review notes will be prepared during CRWIS design and mainstreamed into project implementation with ESCMP 	M	Procurement staff are to be trained on SECAP requirements.	M
2.1.3 (c)	The IA has established internal control systems with Segregation of Authority including effective separation between procurement and financial management	<ul style="list-style-type: none"> - The internal control systems have segregation of Authority. - Separation functions have been established among procurement evaluation committee and procurement appraisal/review unit, and approval authority. - Separation between procurement and financial management divisions have been setup. 	L		L
2.1.3(d)	The IA has an effective internal audit function in addition to independent and timely external financial audit (having specialized "procurement audit" is a plus)	<ul style="list-style-type: none"> - Internal audits are conducted for the public agencies managed directly by Ministries and PPCs (Article 8, Decree 05/2019/ND-CP) on internal audits. - Independent audits are mainly on financial management not on procurement. - Procurement audit is carried out periodically by state audit for a number of contracts. - State and provincial inspectors also carry out procurement audits on an ad-hoc basis. 	M	IFAD to conduct prior-reviews and post-reviews.	M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
2.1.3 (e)	IA has established contract management procedures and contract management forms for monitoring progress against Time, Cost, Quality and Scope of the signed contracts for Goods, Works and Services.	- Contract management procedures follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 50/2021/ND-CP amended the Decree 37/2015/ND-CP, Decree 15/2021/ND-CP on management of investment projects and Decree 06/2021/ND-CP on quality control of construction works.	L		L
2.1.3 (f)	The IA develops a comprehensive Contract Management Plan for major contracts with clear indication of roles and responsibilities	- Roles and responsibilities of the project management division and technical consultants for supervisions follow provisions specified under Decree 15/2021/ND-CP on management of investment projects.	L		L
2.1.3 (g)	IA's procedures for initiation and approval of Contract Variations are established and clear	- Procedures for initiation and approval of contract variations are established in line with provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 15/2021/ND-CP on management of investment projects.	L		L
2.1.3 (h)	Contract Amendments beyond a prescribed threshold (not exceeding 15% of time duration or contract value) require higher level approvals	- In case the adjusted contract price does not exceed the approved bid package price or estimate, the investment owner is entitled to decide on the adjustment; - In case of exceeding the approved bid package price or estimate of the bid package price, the contract price adjustment must be approved by the Authorized person who made investment decisions (Article 36, Decree 50/2021/ND-CP on contract management under investment projects.	L		L
2.1.3 (i)	IA has established procedures for receipt/acceptance of contract outputs in Goods, Works and Services	- Procedures for receipt/acceptance of contract outputs follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 15/2021/ND-CP on management of investment projects and Decree 06/2021/ND-CP on quality control of construction works.	L		L
2.1.3 (j)	IA has established procedures for receipt/approval of deliverables and approval of payments for Goods, Works and Services	- Procedures for receipt/acceptance of deliverables and approval of payments follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 15/2021/ND-CP on management of investment projects, Decree 06/2021/ND-CP on quality control of construction works, and Decree 50/2021/ND-CP on contract management under investment projects.	L		L
2.1.3 (k)	IA's payment procedures lead to timely payments to the contracted parties in line with IFAD standard contracts	- Payment procedures for contract parties will be specified in the project FMM. - Payments to the contracted parties follow provisions of the signed contract. - There were cases of late payments to contractors due to shortage of budget allocations.	M	Thanh Hoa and Nghe An PMUs to monitor and update regularly contract implementation progress.	M
2.1.3 (l)	IA's Contractual Dispute	- Contractual Dispute Settlement procedures provide for amicable	L		L

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	Settlement procedures always provide for amicable settlement and stipulate arbitration for contracts with foreign contracted parties	settlement and stipulate arbitration for contracts with contracted parties as specified in the standard contract formats.			
2.1.3 (m)	The IA has well-developed claim assessment procedures for initiating own claims or for verification of validity and costing of contractual claims filed by the contracted parties	- Claim assessment procedures for initiating own claims or for verification of validity and costing of contractual claims filed by the contracted parties follow provisions specified under Decree 37/2015/ND-CP on detailed regulations on construction contracts, Decree 15/2021/ND-CP on management of investment projects, Decree 06/2021/ND-CP on quality control of construction works, and Decree 50/2021/ND-CP on contract management under investment projects.	L		L
Overall Assessment of the risk posed by Criterion 2.1.3		Procurement Management and Contract Administration systems and internal control /audit procedures are generally in consistence with IFAD's requirements. Procurement audits shall be promoted.	M	Mitigation measures taken.	M
2.1.4	RECORD KEEPING				
2.1.4(a)	A serial-numbered procurement file is maintained for each procurement activity (with records from requisition to acceptance/receipt of goods/works/services)	- Procurement file is maintained for each procurement activity with records from detailed procurement plan to acceptance/receipt of goods/works/services.	L		L
2.1.4 (b)	Original contracts secured in a fire and theft proof location	- Original contracts are maintained by the financial - accounting Divisions under the Thanh Hoa PMU and Nghe An PMU.	L		L
2.1.4 (c)	A separate contract file is maintained with a copy of the contract and all subsequent contractual correspondence e.g. contractual notices by supplier, contractor, purchaser or employer; a detailed record of all changes or variation orders issued affecting the scope, quality, timing or price of the contract; records of invoices and payments, progress reports, certificates of inspection, acceptance and completion; records of claim and dispute and their outcomes; etc.)	- A separate contract file is maintained with a copy of the contract and all subsequent contractual correspondence by the financial - accounting divisions under Thanh Hoa PMU and Nghe An PMU.	L		L
2.1.4 (d)	The IA Procurement & Contract Files are maintained for at least	- All documents related to the procurement process and contracts are kept for at least 3 years after the finalization of the contract	M	IFAD General Conditions of Agricultural Development Financing is attached as an	M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	7 years beyond project closure in a secure place.	(specified in Article 10, Decree 63/2014/ND-CP). - IFAD General Conditions of Agricultural Development Financing (Version 2020) mentioned in Section 7.05 – Procurement “maintain all documents and records (including electronic records) related to a bid or contract for <i>at least three (3) years</i> after completion of the procurement processor contract execution”; and Section 8.01. Implementation Records “The Borrower/Recipient shall ensure that the Project Parties maintain records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten (10) years thereafter.”		integral part of the Financing Agreement.	
2.1.4(e)	The IA maintains an up-to-date Contract Register that records all ongoing contracts (with names, prices and dates) per procurement category for ease of retrieval of contract data	- The contract registers are prepared and updated by the financial - accounting divisions. - Thanh Hoa PMU and Nghe An PMU need to be trained and enter contract data into ICP-CMT system.	M	Thanh Hoa PMU and Nghe An PMU are to be trained on entering and updating contract data into ICP-CMT system.	M
Overall Assessment of the risk posed by Criterion 2.1.4		Record keeping is assessed to be satisfied with low risk.	M		M
2.2	IA’s PERSONNEL CAPABILITIES: IA’s Procurement Personnel Capabilities and Procurement resources (systems and facilities).				
2.2(a)	The IA has a dedicated Procurement Department/Unit with a Director and a team of experienced staff	- Procurement divisions (with a Director, a Deputy Director and 4-5 staffs) under Provincial Departments of Planning and Investment are responsive for appraisal of procurement plans and procurement documents under PPC management; guiding, monitoring and reporting on implementation of the procurement regulations. - Procurement in Thanh Hoa PMU is carried out by dedicated team of Project Divisions and appraised by Planning Division of. - Procurement in Nghe An PMU is conducted by Planning Division and appraised and approved by Nghe An DARD. - The Planning Divisions have sufficient experienced procurement staff to carry out the project’s procurement.	M	IFAD to carry out coaching, on-the-job trainings and refresher trainings on IFAD project procurement procedures and the use of OPEN and ICP-CMT systems.	M
2.2(b)	The IA’s Procurement Unit has previous experience with donor/IFI-funded procurement procedures	- Thanh Hoa PMU and Nghe An PMU have lot of experience with donor-funded project such as WB, ADB, and JICA in agriculture and rural development and familiar with donor procurement procedures. - Thanh Hoa PMU and Nghe An PMU are new in IFAD projects and so IFAD procurement procedures.	M	IFAD to carry out coaching, on-the-job trainings and refresher trainings on IFAD project procurement procedures and the use of OPEN and ICP-CMT systems.	M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
2.2 (c)	IA's regular annual procurement volume exceeds expected project procurement in value and complexity (i.e. the IA normally conducts more and more complex procurement than what is required as part of the project)	<ul style="list-style-type: none"> - Thanh Hoa PMU and Nghe An PMU conduct more complex procurement than what is required as part of the project. - Thanh Hoa PMU and Nghe An PMU have carried out procurements related to the Project's activities, i.e. improvement of dyke system and rehabilitation and upgrade pumping stations and canal and road systems. 	L		L
2.2 (d)	IA's procurement staff have Job Descriptions that cover all foreseen functions of the intended project procurement	<ul style="list-style-type: none"> - Procurement and Appraisal Units at the DPLs have functions to appraise the procurement plans and procurement documents under PPC's decisions, to provide procurement guidance and to monitor implementation of procurement regulations. Procurement activities at project provinces are carried out by specialized project management units. - Procurement staff at Thanh Hoa PMU and Nghe An PMU have job descriptions that cover foreseen functions of the intended project procurement. 	L		L
2.2 (e)	The number and qualifications of the staff of the IA Procurement Department are sufficient to undertake the additional procurement that will be required under the proposed project	<ul style="list-style-type: none"> - Thanh Hoa PMU has 40 staff who have procurement practice certificates and can be mobilised. Of which, 12 staff are working on procurement, including 4 staff in Planning Division, 6 staff in 3 Project Divisions, 2 staff in Financial-Accounting Division. - Nghe An PMU has 12 staff who have procurement practice certificates working in the Planning Division. - The procurement staff have background in irrigation, transportation, civil engineering, and financial and accounting. - The procurement staff are new in IFAD's projects and procurement procedures. 	M	IFAD to carry out coaching, on-the-job trainings and refresher trainings on IFAD project procurement procedures and the use of OPEN and ICP-CMT systems.	M
2.2 (f)	The IA Procurement Department has adequate facilities such as PCs, internet connections, photocopy facilities, printers, safes etc. to undertake the foreseen project procurement	<ul style="list-style-type: none"> - Procurement staff in Thanh Hoa PMU and Nghe An PMU have adequate facilities (as PCs, internet connections, photocopy facilities, printers, safes etc.) to undertake the foreseen project procurement. 	L		L
2.2 (g)	The IA's Procurement Department staff are certified practitioners or have attended relevant procurement training programs	<ul style="list-style-type: none"> - Procurement staff at Thanh Hoa PMU and Nghe An PMU are certified practitioners. 	L		L
2.2 (h)	The IA's Procurement Department staff are capable of working in one of IFAD's official languages	<ul style="list-style-type: none"> - Procurement staff in Thanh Hoa PMU cannot work in English. Thanh Hoa PMU does not have translators. - A procurement staff in Nghe An PMU can work in English. Nghe An PMU has a translator. 	M	Thanh Hoa PMU to recruit a translator or procurement staff who can work in English.	M
2.2(i)	The Project Director is issued a	<ul style="list-style-type: none"> - In Thanh Hoa, the procurement function is laid in Project 	L		L

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	Project Charter granting him/her sufficient authority to control and authorize project activities (documented in PIM)	Divisions (procurement implementation) and Planning Division (procurement appraisal). The heads of the units are authorized taking into account decision maker is the director of Thanh Hoa PMU. - In Nghe An, the procurement function is with the Planning Division. The division only implements procurement, the appraisal and approval are made by Nghe An DARD.			
2.2 (j)	The IA has access to claim initiation or claim assessment experts either internally or externally especially for large value contracts with foreign vendors.	- The Procurement Advisory Committee to settle procurement claims at the central level is established by the Minister of Planning and Investment; at the ministerial-level, ministerial-level advisor committees are established by ministers and vice-ministers of ministerial-level agencies; - At the local level, the procurement advisory committee is established by the head of the local state management agency in charge of bidding activities – the Provincial Department of Planning and Investment (Article 92, Procurement Law 43/2013/QH13). - Thanh Hoa PMU and Nghe An PMU have access to claim initiation or claim assessment experts either internally or externally.	L		L
Overall Assessment of the risk posed by Criterion 2.2		Procurement personnel capabilities and procurement resources (systems and facilities) are generally consistent with IFAD's requirements. However, the procurement staff are new in IFAD projects and procurement procedures and have language barriers.	M	Mitigation measure taken	M
2.3 - IA's PERFORMANCE (PRODUCTS & PAST EXPERIENCE)-guided by quantitative indicators of Pillars II and III of OECD MAPS II (based on performance of the previous year)					
2.3(a)	% of the total annual IA contracts that are awarded in open and restricted bidding	- 100% of NCB contracts were awarded in open bidding using E-procurement system - There was no restricted bidding	M	-	M
2.3(b)	Percentage and value of IA's annual contracts that are awarded under direct contracting (single source)	- Data was not available	M	-	M
2.3(c)	IA's Efficiency in completing the bidding process (open and restricted) for Goods (measured in time from advertisement to contract award and signature)	- There was no goods contract. The equipment is usually included in works contracts.	M		M
2.3(d)	IA's Efficiency in completing the bidding process (open and restricted) for Works (measured in time from advertisement to contract award and signature)	- It was assessed to be efficient.	M		M
2.3 (e)	IA's Efficiency in completing the competition process for	- It was assessed to be efficient.	M		M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
	Services (measured in time from advertisement to contract award negotiations and signature)				
2.3(f)	% of bidding documents for Goods/ Non-Consulting Services and Works in the last one or two years where more than one amendment to the bidding documents was issued	- Data was not available	M	-	M
2.3(g)	% of RFPs for consulting services where more than one amendment to the RFP was issued	- Data was not available	M	-	M
2.3(h)	% of procurement competitions in Goods /Non-Consulting Services, Works and Consulting Services that failed or were cancelled	- Data was not available	M	-	M
2.3(i)	Average number of responsive bids in Goods/Non-consulting Services, Works and Consulting Services competitions	- 1 - 3 responsive bids	M	-	M
2.3(j)	% of procurement competitions for Goods/ Non-Consulting Services, Works and Consulting Services conducted electronically	- 100% of NCB and QCBS packages were conducted electronically. -	M		M
2.3(k)	% of contracts awarded to SMEs in the previous year	- Data was not available	M		M
2.3(l)	% of procurement competitions and contracts that integrate sustainable procurement considerations (at least 1 social/labour plus 1 environmental criteria)	- 100% of NCB contracts	M		M
2.3 (m)	Percentage of IA's contracts for Works with cost over-runs above 10% of initial contract price.	- Data was not available	M	-	M
2.3 (n)	Percentage of IA's contracts for Works with time over-runs above 10% of initial contractual duration	- Data was not available	M	-	M

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
2.3 (o)	Average number of complaints received from bidders as to the fairness of bidding documents or contract award	- No complaint was received in the past year.	M	-	M
2.3(p)	% of bidders' appeal decisions that were accepted and enforced (with ruling against the IA)	- No bidder's appeal decision in the past year.	M	-	M
2.3 (q)	% of Vendors Invoices paid on time in Goods/Non-Consulting Services, works and Consulting Services contracts.	- Data was not available	M	-	M
2.3 (r)	Is the general quality of documents produced by the IA's Procurement Department in line with IFAD's expected quality levels: i. Quality of Bidding Documents for Goods/NCS and Works ii. Quality of RFP for Consulting Services iii. Quality of Bid Evaluation Reports iv. Quality and adequacy of responses to bidders' qualifications	- In general, quality of procurement documents prepared by the Thanh Hoa and Nghe An PMUs following GOV's standard procurement documents are satisfactory and in line with IFAD's expectation.	M		M
2.3 (s)	Management / Procurement Audit: i. % of IA contracts subjected to specialized procurement audit ii. the IA timely implements recommendations	- The Project has not yet approved.	M		M
Overall Assessment of the risk posed by Criterion 2.3			M		M
Overall Assessment of the risk posed by Criterion 2		Assessment of implementing agency (Process/Procedures, Personnel and Performance/Product) shows medium risk	M	Mitigation measure taken	M
Overall Assessment of the risk posed by Part B			M		M
Overall Assessment of the risk posed by Part A			M		M
Overall Assessment of the risk posed by Parts A and B			M		M

Appendix 2.c: Guidance Note on SECAP risk associated with project procurement matrix

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	Moderate	Moderate Project will significantly affect modified habitat, but will not impinge on natural habitat or critical natural habitat.	ESMP for each subproject shall identify and incorporate mitigation measures. Subproject procurement to incorporate mitigation measure identified by ESMP and stakeholder consultation.
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	Moderate	Minor Project is close to a protected area, and associated facilities may have an indirect impact unless the project is modified	ESMP for each subproject shall identify and incorporate mitigation measures. Site specific requirement on each subproject procurement to incorporate mitigation measure identified by ESMP and stakeholder consultation which may include previous similar experience to be incorporated in bid document along with supervision and reporting requirement.
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Moderate	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	No major construction envisaged however depending on type of construction project in discussion with PPMO will incorporate adequate requirement as part of bid document. These provision does not need to be incorporated for types of construction work or activities where it is not feasible to obtain nor identify sources of materials in remote rural locations.
Resource Efficiency and Pollution Prevention	Risk Rating	Consequence	Guidance for Project
2.1 Could the project involve or lead to the release of pollutants to the	Substantial	Major Project involves release of routine	No major construction envisaged however depending on the type of

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?		pollutants, and the proposed treatment system is not proven in local circumstances. Non-routine incidents have not been planned for. Receiving environment is not particularly sensitive, and impacts can be mitigated.	construction and activity bid document and specification shall require contractor or implementer of planned activities ensure adequate provision to measure to minimise the release of pollutants to the environment and to manage waste. Contractor required to report on mitigation measures during execution. Supervision to assess implementation of mitigation measures.
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	Moderate	Moderate. The project will require consumption of raw materials, energy, and/or water. This will be a significant component of the project, but impacts can be appropriately managed.	No major construction envisaged however depending on type of construction or activity, project in discussion with PPMU will incorporate adequate requirement as part of bid document to favour ethical and efficient use of raw materials. These provision does not need to be incorporated for types of construction work or activities where its does not identify significant use of raw materials, energy, and/or water materials in remote rural locations. Develop impact assessment tool in term of water usage to identify use of water resources based on type of construction or activity.
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Moderate	Minor The project only requires minimal amounts of fertilizer	Project to include in the tender document a list of approved/certified chemicals and incorporate them in the tender. The list of approved/certified would be based on existing national regulation.
2.7 Could the project	Moderate	Minor	Project to include in the

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?		The project only requires minimal amounts of pesticide.	technical specifications the use approved pesticides and respect WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticides. Incorporate the list of approved/certified pesticides in the tender document. The list of approved/certified would be based on existing national regulations.
Cultural Heritage	Risk Rating	Consequence	Guidance for Project
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	Low	Negligible The project is not located in an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage	
3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?	Moderate	Moderate Moderate impact on land. Some short-term earth moving, and environmental changes required. Rehabilitation is straightforward.	Mitigation measure to be introduced in terms of technical specification in BOQ's in reference to the ESMP for each subproject. Supervision engineer to monitor and report on implementation of mitigation measures.
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve	Low	Minor The project is thought to be close to an area that is considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or	

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
Cultural Heritage may also have inadvertent adverse impacts)		contains features considered as critical cultural heritage. The site has been comprehensively surveyed, and all tangible and intangible cultural heritage is well known.	
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	Moderate	Minor The project would be more profitable if it had a commercial component, but this is not necessary.	Involve community or community based organisation in the process and to use knowledge.
Indigenous Peoples	Risk Rating	Consequence	Guidance for Project
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	Moderate	Minor The project is not sited in an area where indigenous people are present, but associated facilities may impact on indigenous people.	ESMP for each subproject shall identify and incorporate mitigation measures. Implementation of FPIC prior top start of any procurement civil work activities. Procurement packaging to work with community directly (community participation in procurement with indigenous knowledge, technology and material). Bidder require to have past knowledge or experience and potential include some form of compensation to community if it is contracted out.
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	Moderate	Moderate The project is sited in an area that was previously used by indigenous people, and groups are mobilizing with the intention of making a claim.	ESMP for each subproject shall identify and incorporate mitigation measures. Land use has been agreed to by local communities based on relevant national practises. Implementation of FPIC prior top start of any procurement civil work activities.

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
			Procurement packaging to work with community directly (community participation in procurement with indigenous knowledge, technology and material). Bidder could require to have past knowledge or experience and potential include some form of compensation to community if it is contracted out.
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	Moderate	Moderate Moderate impact on indigenous population. Damage to/or temporary loss of access to indigenous land, assets, resources, and/or cultural heritage.	ESMP for each subproject shall identify and incorporate mitigation measures. Land use has been agreed to by local communities based on relevant national practises. Incorporate appropriate grievance system in local indigenous languages to supplement national languages.
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	Moderate	Moderate The project would be more profitable if it had a commercial component, but this is not necessary.	Procurement packaging to work with community directly (community participation in procurement with indigenous knowledge, technology and material). Bidder require to have past knowledge or experience and potential include some form of compensation to community if it is contracted out.
Labour and Working Conditions	Risk Rating	Consequence	Guidance for Project
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory	Low	Blank / NA The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is	

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)		now adequately nationally regulated, and is part of international value chains that are subject to regular environmental and social auditing.	
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	Moderate	Moderate The project does not operate in sectors or value chains where child labour was evident in the past. The status of forced labour regulation is currently unclear.	Project to include an eligibility, qualification requirement or a self-declaration that the bidder does not have any previous convictions for infringement of labour laws. Contract conditions to include respect of ILO core labour standards (no child or forced labour; equal opportunity, non-discrimination and freedom of association). Provisions to be incorporated in consultation with PMUs for all procurement packages and contracts.
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or	Moderate	Moderate The project operates in a sector, area, or value chain where workers are occasionally exposed to significant OSH risks, and where regulation is known to be effective.	Project to include contract clauses for OSH measures to protect project's workers from injury, illness or impacts encountered in the workplace or while working to be included contract provision Bid evaluation criteria to favour contractors with a high-quality Health and Safety Management Plan (HSMP) may be introduced as applicable in consultation with PPMU for specific value chain actors based on assessed risk factors and exposure. Provisions to be incorporated in consultation with local government and PMU

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)			
Community Health, Safety and Security	Risk Rating	Consequence	Guidance for Project
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	Moderate	Moderate The project is situated in an area where there is past evidence of negative impacts from water-borne or other vector-borne diseases, or communicable/non-communicable diseases, but where regulation or containment of these impacts has been shown to be effective.	Contractor or Communities should provide briefing on risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases? Project to include contract clauses for OSH measures to protect project's workers from risks water-borne or other vector-borne diseases encountered in the specific sites.
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	Substantial	Major The project cannot proceed without access to significant infrastructure elements. Risk of failure would lead to loss of life or significant environmental damage. However, the structural integrity of the required infrastructure has been independently verified.	Ensure relevant safety measures and emergency preparedness against natural or human hazards is included in the procurement documents. Bid and contract requires contractor to erect adequate warning signage's and also take up 3rd party insurance and construction insurance. Independent assessment of structural integrity would be undertaken by government during construction. Contractor's HSMP is to include safe disposal of construction waste and

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
			worker camp waste, mitigation of risks to and impacts on the community resulting from the contractor's work, safety of deliveries and transportation, and disposal of hazardous materials and waste; Contractor's HSMP is to incorporate emergency preparedness against natural or human hazards.
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	Moderate	Minor The project has only minor involvement with the transport, storage, and use and/or disposal of hazardous or dangerous materials, and regulation of hazardous materials is effective.	ESMP for each subproject shall identify and incorporate mitigation measures. Subproject procurement to incorporate mitigation measure identified by ESMP and stakeholder consultation.
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	Moderate	Minor The project will only have minor impacts on ecosystem services, and these can be mitigated through standard environmental management planning.	ESMP for each subproject shall identify and incorporate mitigation measures. Subproject procurement to incorporate mitigation measure identified by ESMP and stakeholder consultation.
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	Moderate	Minor Minor changes to community dynamics. Resulting serious recorded cases of gender-based violence and/or sexual exploitation. Gender-based violence protocols in place.	ESMP for each subproject shall identify and incorporate mitigation measures. Subproject procurement to incorporate mitigation measure identified by ESMP and stakeholder consultation.
6.8 Could the project lead to increases in traffic or	Moderate	Minor The project will	Applicable traffic rules and road safety measures in the

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
alteration in traffic flow?		result in minor increases to traffic volume. Only minor increase in risk of injury or death.	rural road network will need to be adhered to and road signs installed as needed according to the national regulations.
6.9 Could the project lead to an influx of project workers?	Moderate	Minor The project requires the employment of new labour, but workers can be sourced from local communities, and so influx is kept to a minimum, and risks are effectively managed.	Contract Conditions: - Gender-based violence, sexual harassment and sexual exploitation and abuse will lead to an employee's termination of contract under the contractor's code of conduct. - Influx of workers from outside project area limited to the minimum necessary; - Fair and equal wages along and living conditions
7. Physical and economic resettlement	Risk Rating	Consequence	Guidance for Project
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	Substantial	Major >20<100 households/businesses displaced.	ESMP for each subproject shall identify and incorporate mitigation measures. Implementation of FPIC prior to start of any procurement civil work activities. Land use has been agreed to by local communities based on relevant national practices. Work commencement would be conditional to satisfactory implementation of Borrowers RAP (Resettlement Action Plan) All subprojects identified shall be subject to IFAD Prior Review regardless of its value
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	Substantial	Moderate The project will result in moderate changes to land tenure arrangements and/or community-based property rights/customary rights. Legal	ESMP for each subproject shall identify and incorporate mitigation measures. Implementation of FPIC prior to start of any procurement civil work activities. Land use has been agreed to by local communities based on relevant national practices.

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
		recourse and other forms of arbitration/conflict resolution are available.	<p>Work commencement would be conditional to satisfactory implementation of Borrowers RAP (Resettlement Action Plan)</p> <p>All subprojects identified shall be subject to IFAD Prior Review regardless of its value</p> <p>Subprojects (Infrastructure funded by Investment grant) to incorporate provision based ESMP in reference to national and/or provincial guidelines.</p> <p>Work commencement conditional to satisfactory implementation of RAP by Project/Local Government, as certified by the supervision engineer. Procedure to the outlines in PIM for each subproject.</p>

Appendix 3: Targeting, Gender, and Social Inclusion Strategy - Working Paper

Introduction

Vietnam has been a development success story. Economic and political reforms have spurred rapid economic growth and development and transformed Vietnam from one of the world's poorest nations to a middle-income country in one generation. Between 2002 and 2022, GDP per capita increased 3.6 times, reaching almost USD 3,700. Economic growth is projected to reach 4.7% in 2023 due to the moderation of domestic demand and the challenging external environment. Growing at 2.5 to 3.5 percent per year over the past three decades, the agriculture sector has supported economic growth and ensured food security.

Vietnam has made remarkable progress in poverty reduction. The proportion of the population living below the national poverty line reached 4.3 percent in 2022, down by over 70 percent from 1993. The poor live in rural, remote, mountainous areas in Vietnam's northern and central uplands. In Thanh Hoa and Nghe An provinces, poverty rate (poor and near poor) in 2022 stands at 11.88% percent and 12.62% percent respectively. Vulnerabilities to climate and external shocks are prevalent among households with a strong dependence on agricultural non-wage and wage incomes and with limited access to required water infrastructure, insurance and climate sensitive agro-advisory services to mitigate such risks²³.

CRWIS will be implemented through a combination of geographical targeting and direct beneficiary targeting approaches aimed at the most climate-vulnerable communities. The project will adopt an inclusive targeting strategy in the selection of irrigation schemes and pumping stations to be rehabilitated under Sub-component 1.1, with consideration to (1) current climate change vulnerability and future trends, (2) agricultural production/productivity potential, (3) presence of complementary government projects for alignment and synergy, and (4) multidimensional poverty index. While an irrigation scheme's command area may not entirely overlap with district or commune boundaries, for the purpose of project management, the district and commune will remain the focus of both Component 1 and Component 2 activities.

CRWIS targeting strategy will be informed by the assessment of the livelihoods, constraints and aspirations of the different target groups of which 10% from "poor and near poor households", 50% of women and 20% of youth including from ethnic minorities (where relevant). Direct beneficiaries will be selected from the following socio-economic groups: (i) poor and near-poor rural households, (ii) water-insecure and climate vulnerable smallholder farmers, and (iii) women (including women-headed households) and youth farmers. CRWIS will develop a gender and social inclusion strategy that is aimed at the empowerment of women and youth (including from ethnic minorities where relevant) informed by province-specific gender social norms assessment to determine women's climate adaptive capacity; Implementation of a Household Methodology for improved gender relations to enhance climate resilience and business skills at household and community levels; Grants for increased climate resilience of poor and near poor women and youth and ethnic minorities; Leadership skills trainings for women and youth leaders of Agricultural Cooperatives; Capacity building of project implementers on GEWE for increased women's climate adaptive capacity.

CRWIS will adopt the following indicators and thresholds to assess poverty, water insecurity and climate vulnerability at the household level during implementation:

²³ <https://www.worldbank.org/en/country/vietnam/overview>

- For poverty, the project will use the multidimensional poverty standards used by MOLISA which includes five dimensions and 10 indicators: (i) Health (indicators: nutrition and child mortality, each is weighted 1/6), (ii) Education (indicators: adult education and children education, each is weighted 1/10), (iii) housing (indicators: per person housing area and housing quality, each is weighted 1/10), (iv) Living standard (indicators: water and sanitation, each is weighted 1/10) and (v) access information (indicators: usage of telecom services and assets for accessing information, each is weighted 1/10). Each person who fails to meet the deprivation cutoff is identified as deprived in that indicator. In MOLISA's approach, a person is identified (by Alkire-Foster methodology) as multi-dimensionally poor if the person's weighted deprivation score is equal to or higher than the poverty cutoff of 33.33%.
- The underlying assumption for MOLISA MDP indicators is that additional data collection will not be required; the project will use the last available household-level assessment.
- Since MOLISA does not sufficiently consider climate vulnerability, additional indicators and thresholds might be needed as below.
- Climate vulnerability of the households in each hamlet / commune. Indicators could include (a) if household has received compensation for weather or natural disasters over the past 3 or 5 years (timeframe to be determined during implementation); OR (b) if household's agricultural plot(s) cannot or has limited access to the in-field (tertiary) canals to mitigate risk of drought – as evidenced by no or limited summer or winter cultivation during the last agricultural season and effect during the last significant drought; OR (c) if household's plot(s) location makes it vulnerable to water release from other rice fields during excessive rains – as evidenced by last significant heavy rainfall or flood event; OR (d) households that are in low-lying areas and have been marooned by floods in the recent past. For Thanh Hoa, salinity intrusion risk in crop or aquaculture ponds will be used as an indicator as needed.
- Of note, while the data on compensation disbursement to households should be available at the commune level, other climate vulnerability indicators may involve additional discussions for each hamlet to ensure targeting accuracy / efficiency.
- It may be possible (based on capacities and resources during implementation) to use participatory mapping approaches, during the planned FPIC process for the project, to map the poor and climate-vulnerable households for beneficiary targeting. In contexts as varied as Honduras, Peru, and India, evidence shows that participatory wealth mapping to identify the poor by community itself performs as well as detailed household surveys (Karlan and Thuysbaert, 2013; Banerjee et al., 2009)

Other direct beneficiaries will include: (i) Provincial and district public institutions, who will receive support to strengthen policy, sectoral planning and institutional capacities for an integrated and inclusive water management for irrigation and flood control, and to support the development of pro-poor, gender-transformative and climate-resilient value chains; (ii) Public and private service providers of extension services and business development services engaged in promotion of CSA technologies and practices; (iii) cooperatives, water users, and farmer organizations such as Common Interest Groups (CIGs), with priority to those owned by youth and women; and (iv) Producer groups and private actors involved in small-scale processing and marketing.

In terms of climate hazards and vulnerability, and according to FAO's Climate and Agriculture Risk Visualization and Assessment (CAVA) and other secondary data; both Thanh Hoa and Nghe An provinces are already subject to higher climate change risks vis-à-vis other regions. In fact: 1) both targeted provinces are currently experiencing extreme temperature anomalies, while 2041-2060 projections show that such anomalies would continue and increase in magnitude; 2) precipitation extremes appear more pronounced in the North-central Coast (hosting Thanh Hoa and Nghe An) and South-central Coast. MONRE analysis (2016)²⁴ analysis shows that North Central region is one of the regions where the change in annual rainfall (%) is projected to be higher than 20%. Between September and November, this region has a higher number of high rainfall events and potentially observe river floods that are accentuated by intense precipitation, steep topography, and lack of water storage options; 3) in terms of drought occurrence and projections²⁵, all of Vietnam has experienced agricultural and hydrological droughts between 1979 and 2007, but the frequency of droughts is higher in North Vietnam (including Nghe An and Thanh Hoa). Drought events are projected to increase considerably in North-central and South-central Vietnam. The coastal regions of North Vietnam (including Nghe An and Thanh Hoa provinces) are projected to experience longer drought events contributing to increased agricultural vulnerability.

Gender strategy

Background

In 2023, Vietnam has climbed 11 places on the latest World Economic Forum (WEF)'s Global Gender Gap Index over the past year, marking a rise from 83rd to 72nd place out of 146 countries. This is hallmark of the significant progress made by Vietnam in promoting gender equality in all sectors underpinned by the endorsement or revision of legal frameworks and policies on gender equality and the advancement of women, most notably the Gender Equality Law and the National Strategy for Gender Equality. Nevertheless, gender inequalities in agriculture, food and nutrition security are visible in labour and in access to resources (land, water, technology, finance), markets, training, and agricultural extension services. Women constitute a critical workforce in agricultural production, especially in rural areas, where 63.4 percent of working women are in agriculture compared to 57.5 percent of working men. Traditionally, women are more involved in agriculture as they are burdened with unpaid care work and women's knowledge and skills remain limited when it comes to new technologies. Furthermore, although women are more involved in agriculture, they are also more likely to work on smaller farms and to cultivate subsistence crops such as rice and maize especially in Nghe An province and raise small numbers of livestock (such as poultry, pig and buffalo). In Thanh Hoa and Nghe An provinces, particularly for women from "poor and near poor" households, the land size for rice farming areas ranges²⁶ from 500 m² to 2000 m². Women's limited access to agricultural advisory and extension services, training and technology transfer is due to various gender-biased social norms, resulting in women's lower levels of education, increased time constraints and limited mobility, among other constraints.

Vietnam is particularly vulnerable to the adverse effects of climate change and natural disasters. Rural Vietnamese women's vulnerability to climate change is heightened by their greater concentration in the agricultural sector, particularly in subsistence production, and in the informal economy. This is manifested in rural women facing high risks of loss from drought and uncertain rainfall, with women in Nghe An and Thanh Hoa

24 MONRE (2016). Climate Change and Sea Level Rise Scenarios for Viet Nam. Ministry of Natural Resources and Environment: Hanoi. <https://www.imh.ac.vn/files/doc/2017/CCS%20final.compressed.pdf>

25 Katzfey, J.J., McGregor, J.L. & Suppiah, R. (2014). High-Resolution Climate Projections for Vietnam: Technical Report. CSIRO, Australia. 266 pp. <https://www.rccap.org/wp-content/uploads/2017/05/vietnam-projections-tech-report.pdf>

²⁶ FGDs from Nghe An province during PDR mission

expressing loss of income due to drought and lack of water for irrigation which resulted in fifty percent decrease in annual rice productivity²⁷. Further, climate change adds to water insecurity, which increases the burden and work load of women involved in small scale farming, as they spend more time and effort on land preparation, fetching water, watering and managing crops. A high dependency on land and natural resources for livelihood generation by women who are considered poor and from ethnic minority groups make them more vulnerable. Less access to resources, credit, markets and extension services seriously disadvantages poor women and men and limits their coping strategies.

In terms of decision-making in the household, in general, many poor women living in rural areas have less decision-making power regarding family businesses and the way that household income is spent. Attending village, ward or commune meetings is commonly considered a man's task. Women tend to go only to public meetings regarding climate change adaptation and disaster risk reductions when men are busy or absent. In terms of decision-making in the community, women's participation in local People's Committee Councils is significant but still limited: 27.7 percent at provincial, 31.3 percent at district and 29.97 percent at commune levels in Nghe An and in Thanh Hoa the percentages are 20%, 28.27% and 29.43% respectively²⁸. Women's involvement in local Committees for Flood and Storm Control is limited to child-care and food distribution; women tend not to be involved in decision-making²⁹. Even in Thanh Hoa and Nghe An Provinces, the management and decisions of water use were usually led by male group leaders.

Overall, gender differences in poverty were seen to be small, but older women, especially in rural areas, are overrepresented among the poor in Vietnam³⁰. Single mothers in rural North Central Vietnam including in Nghe An province face many difficulties in carrying out their livelihoods including lack of support from family and hardships in accessing livelihood capitals. Other disadvantaged women also include migrant women, ethnic minorities, and women with disabilities, in addition to the widows and older women. Many of these women are landless or lost their land to industrial parks and urbanization. These are the women who are least able to access the opportunities generated by Vietnam's integration into the global economy. Many are also unable to take advantage of targeted training or employment schemes intended for the poor. Informal household businesses operate under precarious conditions, with few written contracts and little access to public services. Not integrated into the formal economy, their main markets are within the informal sector and their main competition is with each other.

At the core of gender transformative programming lie interventions that aim at addressing women's practical needs (e.g. knowledge, skills, access to productive resources) as well as strategic gender interests (e.g. decision making power, position/status in society) by triggering change in agency, social relations and social structures in particular in social norms, CRWIS will address that through these four domains of change: i) Promoting economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities; ii) Enabling women and men to have equal voice and influence in rural institutions and Organisations; iii) Achieving a more equitable balance in workloads and in the sharing of economic and social benefits between women and men; and iv) while actively seeking to transform gender power relations by addressing social norms, practices, attitudes, beliefs and value systems that represent structural barriers to women's and girls' inclusion and empowerment.

Three principles will be followed to promote gender transformative change by creating an enabling environment for more widespread uptake of climate solutions by women,

27 FGDs from Nghe An province during PDR mission

28 DOLISA in Nghe An and Thanh Hoa (World Bank 2011)

29 <https://asiapacific.unwomen.org>

30 World Bank, 2020. Vietnam Country Gender Assessment.

particularly women from poor/near poor groups, young women and women from Ethnic Minority groups: (i) using participatory approaches to facilitate dialogue, trust, ownership, visioning and behaviour change at various levels (individual/household/group/community); (ii) promoting critical reflection on deep-rooted social and gender norms and attitudes in order to change unequal power dynamics; and (iii) explicitly engaging with community leaders and men including young men to transform personal perspectives, norms, and systemic patterns towards gender equality and inclusion.

Through CRWIS, Women's empowerment will be achieved via the following pathways: In Thanh Hoa and Nghe An provinces, CRWIS will partner with the Provincial Women's Unions to increase the socio-economic empowerment of rural women including young women and Ethnic Women in the project areas through setting an overall outreach target at 50% women; and through addressing the current barriers faced by rural women in the two provinces in the domains of economic empowerment, in decision making, in achieving equitable workload balance and in overcoming some of the existing social norms that are currently not in favour of rural women. Specific initiatives include promising adaptation options for women such as creating an enabling environment for more widespread uptake of climate solutions by women, particularly women from poor/near poor groups and women from Ethnic Minority groups; testing new climate innovations based on local needs and opportunities (such as organic farming) to tackle the twin challenges of climate change and gender inequality based on findings of the province specific-gender norms assessment; investing in increasing the collective capacity and knowledge of women and youth to take climate action (through livelihood diversification, new cropping techniques, rain water harvesting and garbage collections); promotion of labour- and time-saving technologies such as provision of water access points and other facilities to ease women's access to water for their vegetable gardens and household drinking and cleaning needs; and training women to be resource persons particularly for greater outreach to women farmers and their uptake of best practices and technologies.

For social norms change, CRWIS will invest in the conduct of **province-specific social norms including gender norms assessment** in the early stages of the project to ensure that the project does not exacerbate the barriers faced by women and will integrate mechanisms to transform unequal gender relations for the socio-economic empowerment of women including women from ethnic minorities and young women. A local service provider will be engaged for this.

Roll-out of the Household Methodology. Household methodologies (HHMs) are methodologies that enable family members to work together to improve relationships and decision making, and achieve more equitable workloads. Their purpose is to strengthen the overall well-being of households and all their members. For CRWIS, a household-based approach will be implemented, building on successful pilots in other IFAD projects in similar contexts, to support behaviour changes equitably involving the whole family, in relation to climate action, family planning and budgeting, production and financial and business literacy. Existing training modules will be adapted to the project needs, with support from selected service providers. The CRWIS household-based approach will also ensure that there are follow-up mechanisms (such as champion couples) to initial training to ensure continuity. The household-based approach will be promoted by through a specific service contract for groups participating in Component 1 target area.

CRWIS will also **engage in-country policy frameworks related to gender equality** in the agriculture and climate nexus through engagement with the national machineries including the Women's Union.

CRWIS will ensure gender and inclusion is integrated within the project M&E through the collection of data disaggregated by sex/age/EMs; investing in the data collection,

analysis, use and reporting on the empowerment indicators; and integrating gender specific indicators in its log frame:

- Gender-disaggregated indicators (including for youth and EMs)
- IE. 2.1 Individuals demonstrating an improvement in empowerment – budget included for baseline/midline/endline surveys
- Number of young women with new jobs
- % of supported groups with women in leadership positions
- Women's groups and women's businesses supported with equipment and marketing services

Survey results on beneficiary feedback disaggregated by age, gender, EMs status;
Qualitative data through women focus groups.

Pathways

The gender transformative goal of CRWIS is to increase the socio-economic empowerment of rural women including young women and Ethnic Women in the project areas through setting an overall outreach target at 50% women; and through addressing the current barriers faced by rural women in the two provinces in the domains of economic empowerment, in decision making, in achieving equitable workload balance and in overcoming some of the existing social norms that are currently not in favour of rural women. Addressing women's barriers against these domains also mean fulfilling IFAD's gender policy strategic objectives.

- Promoting economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities;
- Enabling women and men to have equal voice and influence in rural institutions and organizations; and,
- Achieving a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.

Aim	To increase CRWIS's impact on gender equality and strengthen women's empowerment in the 2 provinces in Vietnam		
At least 50 percent of the beneficiaries will be women (including young women and women from ethnic minorities)			
Objectives	Economic empowerment	Decision-making and representation	Equitable workload balance
Activities	<ul style="list-style-type: none"> - Increasing women's access to and control over assets – natural resources, inputs, technologies and finance – and to economic services – such as extension, training and business development - Extension Services conducted for farmers with beneficiaries consisting of at least 50% women - Creating new spaces/opportunities/ markets and support for women's economic engagement - Supporting women as role models to break through barriers, demonstrate by example, change mindsets and provide inspiration to other women - Invest in grants that improve women's climate resilience - Invest in interested women's skills in construction 	<ul style="list-style-type: none"> - At least 30% women's participation in community-based forums, such as village committees, grievance committees and other community-based organizations established under the project - At least 30% representation of women in consultation and decision-making forums - Women will be trained to be local resource persons particularly for greater outreach to women farmers and their uptake of best practices and technologies - Leadership training for women - Invest in increasing the collective capacity and knowledge of women to take climate action (through livelihood diversification, new cropping techniques, rain water harvesting and garbage collections) - 	<ul style="list-style-type: none"> - Provision of water access points and other facilities to ease women's access to water for their home gardens and household drinking and cleaning needs - Promotion of labour- and time-saving technologies (e.g. technologies for water collection, water efficient production technologies, agricultural mechanization technologies) - Engage men and community leaders in community awareness activities for GEWE incl. GBV
M&E	<ul style="list-style-type: none"> - Sex-disaggregated indicators - IE. 2.1 Individuals demonstrating an improvement in empowerment - Gender Indicators integrated within the log frame (Number of women with new jobs; % of supported groups with women in leadership positions; Number of women's groups and women's businesses supported with equipment and marketing services) - Survey results on beneficiary feedback disaggregated by age, gender, EMs status: Qualitative data through women focus groups 		

Social Norms Change

Targeted sub-groups

Women in general constitute a main target group of CRWIS, with at least 50 percent of all beneficiaries being women. Nevertheless, there are a number of sub-groups that given their vulnerability will be specifically targeted:

- Young women
- Women-headed households
- Women from vulnerable groups, such as women with disabilities, widows, elderly women

Implementation arrangements

The following provisions have been taken to ensure the gender-responsiveness of project management:

- Development of a project gender strategy and action plan
- Setting of targets for women as a percentage of beneficiaries
- Allocation of budget for specific gender-related activities
- Recruitment of a full-time gender and social inclusion specialist in the project management unit (to oversee the implementation of the gender strategy, provide staff capacity building, and support colleagues in mainstreaming gender considerations into their operations, including knowledge management, M&E indicators and results measurement)
- Responsibility for mainstreaming gender will be included in the TORs of all key project staff
- Responsibility for mainstreaming gender will be included in TORs for service providers
- In all its activities, compliance will be sought with IFAD's policy to preventing and responding to sexual harassment, sexual exploitation and abuse. This will be reflected in the TORs of all key project staff and service providers
- At least 30% of project related jobs will be occupied by women

Youth strategy

Background

Youth are defined as people between 16 and 30 and account for 22.5% of the population: 20.31% and 21.53% in Nghe An and Thanh Hoa respectively. While this unique demography can be an advantage, youth unemployment rates have only increased from 3.5% (2010) to 7.4% (2022); the effect of COVID-19 on young women's employment was worse than young men, particularly because the consequences fell most on sectors employing a large proportion of women.

Of the youth in Nghe An and Thanh Hoa, about a third were engaged in agriculture-related activities (34.05% in Nghe An, 32.3% in Thanh Hoa) in 2022, and an equal proportion leave the district or province for employment (34.17% of Nghe An, 27.5% of Thanh Hoa). Thanh Hoa (27.5%) has a higher proportion of youth employed in the industry or service sector, particularly in Hoang Hoa factories, compared to Nghe An (5.95%). Naturally, a higher proportion of youth are employed in Thanh Hoa (87.5%) than in Nghe An (63%). Rural youth engaged in agriculture face multiple challenges, including insufficient capital and awareness of technologies, and limited access to land. Consequently, youth prefer to migrate or work in non-agricultural sectors.

In an effort to address unemployment, the government has instituted policies and programmes on vocational training and entrepreneurship. For example, young people can borrow money from the National Youth Union Fund for new start-ups; however, the size of the loans is limited (about 100 million VND, USD 4,217). Nghe An and Thanh Hoa officials are keen to engage youth in high-value agriculture with agri-businesses, and encourage youth participation in eco-tourism, traditional crafts, and other activities. There's also potential for youth to be up-skilled in irrigation development and operations.

Pathways

CRWIS will take a youth inclusive approach that focuses on their economic empowerment. It will support their profitable engagement in on-and off-farm activities, make sure their voices are heard and empower them as agents of change.

Aim	To increase CRWIS's impact on the social and economic empowerment of youth in the two provinces in Vietnam	
Outreach	At least 20 percent of the beneficiaries will be young people	
Objectives	Economic empowerment	Decision-making and representation
Activities	<ul style="list-style-type: none"> - Access to climate-smart technologies and approaches that attract young people and finance - Strengthened links with profitable markets - At least 20% of targeted grant support for women's increased climate resilience are under 35 years of age or employ three or more youth under 25 years of age - Creating new income opportunities for youth, e.g. off-farm agribusiness enterprise development - Invest in interested youth's skills in construction 	<ul style="list-style-type: none"> - Ensure the participation of youth in community-based forums, such as village committees, grievance committees and other community-based organizations established under the project - Ensure representation of youth in consultation and decision-making forums - At least 40% of farmer group membership is under 35 years of age - Leadership training for youth
M&E	Age-disaggregated indicators	

Targeted sub-groups

Youth in general constitute a main target group of CRWIS, with at least 20 percent of all beneficiaries being between 18 and 35 years old. Nevertheless, there are a number of sub-groups that given their vulnerability will be specifically targeted:

- Young women
- Youth from poor, near poor households who already are or could be served by an irrigation scheme
- Young people from vulnerable groups, such as youth with disabilities, ethnic minority youth.

Implementation arrangements

The following provisions have been taken to ensure the youth-inclusiveness of project management:

- Development of a project youth strategy and action plan
- Setting of targets for youth as a percentage of beneficiaries
- Sensitization on the prevention of child labour and inclusion of specific clauses in contracts with service providers
- Allocation of budget for specific youth-related activities

- Responsibility for mainstreaming youth inclusion will be included in the TORs of all key project staff including the Gender and Social Inclusion Specialist at PMU
- Responsibility for mainstreaming youth inclusion will be included in TORs for service providers
- Age-disaggregated data will be collected and analyzed
- Studies undertaken by the project will include an age perspective.

Appendix 4. Terms of Reference for additional PMU Positions

4.1 Terms of Reference - Gender and Social Inclusion Officer (GSI)

CRWIS PMU will ensure adequate human and financial resources are allocated to drive the successful implementation of the gender and social inclusion (with particular emphasis on youth and ethnic minority engagement) activities of the programme. In this regard, CRWIS will recruit a Gender and Social Inclusion officer at the provincial levels, as well as appoint a Gender and Social Inclusion focal point at District and Commune levels.

The Two Provincial GSI officers will be 100% dedicated to CRWIS roles and responsibilities on gender and social inclusion, as follows;

Roles and responsibilities

The GSI officers will be responsible to coordinate and facilitate the implementation of the gender transformative programming, youth inclusion interventions defined in the programme at provincial and commune levels. She/he will work closely with the IFAD country team, IFAD Gender and Social Inclusion specialists (regional), and the district and commune GSI focal points to ensure the operationalization of gender transformative programming, youth mainstreaming in the project investments.

Under the general supervision of the project director, the project GSI officer will perform activities in five main areas to mainstream gender and social inclusion:

Project Implementation:

- Advise and support the project manager, other members of the PMU and field officers in the effective mainstreaming of targeting, gender and social inclusion in project activities.
- Conduct the analysis of gender and social inclusion situation in the project locations, tailor the project's gender and social inclusion strategy and develop the action plan (that needs to be updated regularly) in coordination with the other PMU experts
- Facilitate the implementation of the gender transformative programming, youth inclusion activities in close collaboration with relevant stakeholders (e.g., provincial, district and commune experts, national women's machineries, Provincial VWU, Provincial Youth Union, NGO and research partners, any other service providers)
- Work with other PMU experts to critically review project design to see how each component and subcomponent addresses gender and social inclusion issues, and identify opportunities for strengthening implementation for a gender and social inclusion perspective
- Review basic project implementation processes to provide feedback and suggestions on how to achieve the best possible project outcomes with respect to targeting, gender equality and women's empowerment, and social inclusion
- Ensure that activities of the gender, targeting and social inclusion strategy are reflected in the following:
 - a. Preparation of the AWP/B
 - b. Design and implementation of the project M&E system
 - c. Project progress reports

d. Project supervision

- Participate in the development of detailed ToRs and tender documents of national and local service providers to various project components to ensure that target groups will be able to participate effectively in all components and meet the project's targets.

M&E and Knowledge Management:

- Together with the M&E and knowledge management staff, establish an M&E system that captures disaggregated data on gender and social inclusion (age, disability, etc)
- Document and share M&E, learning and communication products
- Analyse data to ensure that there are no adverse impacts on target groups as a result of project implementation and suggest remedial measures if necessary.

Capacity Building:

- Undertake regular capacity assessment on gender and social inclusion issues and provide capacity-building for staff at the field level, PMU, implementing partners and service providers.

Communication:

- Liaise with the IFAD country office and gender and social inclusion team on questions regarding gender transformative programming and social inclusion in implementation, knowledge sharing and other aspects
- Serve as a channel of communication between the project and others working on gender and social inclusion issues in government, implementing agencies, other development partners and IFAD
- Help project colleagues access the information they may need on gender and social inclusion issues and share good practices

Advocacy and networking:

- Be familiar with gender and social inclusion policies of the institutions linked to the project, including national policies and those of ministries, implementing institutions and financing agencies, including IFAD
- Establish linkages with other gender, women's or social inclusion programmes implemented by national, international and intergovernmental agencies
- Develop strategic partnership with relevant agencies from the government, CSOs, national women's machineries and other service providers engaged in gender, women's and social inclusion programmes
- Present evidence-based information on good practices in gender transformative programming and social inclusion in national forums.

Qualifications and Experience:

- Master degree in social sciences, rural development or related discipline
- At least five years working experience on gender and social inclusion issues
- Experience in agriculture and rural development projects

- Experience in designing and delivering training modules
- Highly motivated and committed to gender equality and social inclusion
- Working knowledge of spoken and written English and the local language.

4.2 Terms of Reference - Monitoring & Evaluation and Knowledge Management Officer

The Monitoring and Evaluation and Knowledge Management Officer will be responsible for all planning, monitoring and evaluation, knowledge management and communication. He/she will directly report to the Project Director.

Duties and Responsibilities:

- Oversee the development of, and manage the M&E system taking into account the Government/Province monitoring frameworks, IFAD Results and Impact Management Systems (RIMS) and CRWIS Project objectives;
- Develop and implement Knowledge Management and Communication Strategy to ensure systematic, continuous learning, improvement and knowledge sharing;
- Oversee preparation of and consolidate inputs to the AWPBs, including arranging stakeholder review workshops;
- Facilitate CRWIS Project's annual review workshops, outcome assessment studies, Mid Term Review and completion review. Establish the timings and agendas for annual participatory monitoring workshops, including arrangements for ensuring adequate representation of all participants, the target groups including women and youths;
- Develop an M&E service pack (reporting formats for data and narrative) for service providers, and assess and develop trainings in data collection tools as needed, to ensure that appropriate measures are established and implemented by service providers to provide sufficient basis for review of CRWIS Project implementation and for monitoring changes seen on the ground;
- Coordinate reports from service providers for quarterly, semi-annual and annual reports;
- Manage special studies to be undertaken, including preparation of ToRs and overseeing the work of the consultants;
- Liaise with the financial controller to link physical and financial progress data;
- Monitor implementation processes and performance, and assess outputs and outcomes. He/she will ensure that all M&E indicators are gender and age disaggregated, and that CRWIS Project reports identify separately the number of male, female and youth beneficiaries, the nature of their participation and the ways in which they have benefited from the Project;
- Preparation and submission of routine and ad-hoc progress reports to the PMU, the provincial authorities and IFAD;
- Carry out any other activities that are assigned by the Project Director.

Qualifications and experience:

- A minimum of a Bachelor's degree in Agricultural economics, economics or equivalent management qualification and specific training in M&E;

- At least eight years of work experience, including at least four years working with knowledge management, planning, M&E and/or MIS in government/donor Programmes or large institutions, with knowledge of logical framework Programmes and participatory systems;
- Ability to set up and follow through on a monitoring system in a complex environment, and capacity to design and carry out relevant field level verification and other data validation tools;

Competencies:

- Computer-literate and well-versed in the use of Word, Excel and statistical Programmes, such as SPSS, Stata, etc.;
- Excellent oral and written communication skills in English;
- Excellent analytical skills;
- Self-motivated, with demonstrated ability to take initiatives and work under a minimum of supervision, but also to work effectively as a team member;
- Strong managerial skills and demonstrated capacity to manage people and interact with a wide range of development partners and public sector representatives.

4.3. Terms of reference - Value Chain and Livelihood Development Coordinator/Officer

The Value Chain Finance Officer will work on full-time basis with frequent travel to the project districts and communes. The duration of the contract is 12 months with possible extensions subject to the performance assessment. The VC Finance Officer will report to the Head of Strategic Management Section.

Duties and Responsibilities:

- Coordinate VC finance activities during development of VCAPs under the project; Take part in consolidation and preparation of the Project’s annual work plan and budget (AWPB) based on the AWPBs of all implementing agencies and districts.
- Coordinate formulation and operation of partnerships between Project’s parties and micro finance sources (WU, FU, etc.), commercial banks, and other financial institutions.
- Facilitate capacity building on inclusive VC finance arrangements for project staff, implementing agencies and partners.
- Facilitate and support specific VC actors in specific value chains to prepare necessary financing arrangements that meet requirements of micro finance sources (WU, FU, etc.), commercial banks, and other financial institutions, based on actors’ business plans.
- Facilitate and monitor financing flows supported by VCAPs in specific value chains.
- Contribute to the knowledge development in terms of VC financing by facilitating case studies, best practice sharing, and document and promote learning activities.
- Contribute to the establishment and operation of the off-line and online platform (pool of inclusive value chain expertise and networks).
- Carry out any other tasks assigned by the Project Director in the interest of the Project.

Experience and Qualifications

- A minimum bachelor degree in a relevant discipline (banking and finance, accounting and audit, business administration, financial management, etc.) with at least seven years of practical experience in relevant field.
- Experience in the implementation of integrated rural development projects with emphasis on agri-business development and management.
- Experience of capacity building and participatory planning techniques.
- Experience in business investment planning, financing new businesses and products.
- Good social communication skills and teamwork spirit; Experience of working effectively with local authorities and ethnic communities.
- Good in spoken and written English.

4.4. Terms of reference – Climate and Environment Safeguards Officer

The Environment & Climate Safeguards officer will be responsible for the implementation, monitoring, and reporting of all environment and climate-related safeguards for the project. This will include, when relevant, implementation of the project’s Grievance Redress Mechanism (GRM), and any items listed in the Environmental, Social, and Climate Management Framework (ESCMF). You will work in close collaboration with the Gender & Social Safeguards Specialist, as well as the project’s Monitoring & Reporting specialist. You will report to the lead of the Provincial Project Management Unit.

Duties and Responsibilities:

- Prepare, implement, and monitor environmental safeguards instruments, including the environmental & climate-risk aspects of ESCMPs and any Biodiversity Management Plans.
- Compile the environmental baseline data for ESCMPs and Biodiversity Management Plans (when applicable) at sub-project sites based on requirements of the Government of Vietnam, IFAD, and
- Identify key issues & ways to manage issues pertaining to the environment and climate.
- Conduct consultations, in collaboration with the Gender & Social Safeguards Specialist, with target communities in the project area to assess the (i) current environmental situation (at local level, this includes peoples’ perception of the situation); (ii) environmental & climate-related impacts of sub-projects; and (iii) mitigation measures (including the communities’ recommendations/solutions) that can be taken pertaining to any negative environmental/climate impacts
- Obtain data from, sensitize, and clearly explain to relevant government staff (or civil society organizations/partners, etc.) the data, M&E, and compliance requirements for environmental safeguards & climate risk considerations during project implementation.
- Manage, along with the Gender & Social Safeguards Specialist, the project’s Grievance Redress Mechanism.

Experience and Qualifications:

- Advanced University degree in Environmental Science, Biology, Environmental/Civil Engineering, or any related field;

- Minimum of 5 years of relevant operational experience and proven track record in working agricultural, forest management, and construction activities, including compliance with Environmental and Social standards;
- Familiarity with climate science and management of climate risks;
- Working knowledge of English and Vietnamese proficiency.
- Work experience in implementation and management of international safeguards standards pertaining to environment, climate, and agroforestry activities.
- Knowledge of issues pertaining to environment, climate, and biodiversity.
- Knowledge of computer-aided design programs, AutoCAD required and Structural Analysis programs.

Appendix 5. CRWIS Logframe

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				MIS	Annual	PMU	
	Males - Males	0	18450	36900				
	Females - Females	0	18450	36900				
	Young - Young people	0	7380	14760				
	Total number of persons receiving services - Number of people	0	36900	73800				
	1.a Corresponding number of households reached				MIS, annual reports from DARD and DONRE (water use report, disaster report, etc.)	Annual	PMU, DARD, DONRE	
	Women-headed households - Households	0	2950	5900				
	Non-women-headed households - Households	0	33950	67900				
	Households - Households	0	36900	73800				
	1.b Estimated corresponding total number of households members				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	
Household members - Number of people	0	139000	278000					
Project Goal Contribute to climate resilience, water security and sustainable socio-economic development in Thanh Hoa and Nghe An	Smallholder households reporting increased resilience to climate, environmental and economic shocks				Outcome survey	Benchmark, Mid-term, Final	PMU	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes; local Governments are committed to implement their socio-economic development plans; policy dialogues will result in effective
	Smallholder HH - Households	0	18250	36500				
	Smallholder households reporting increased income from targeted agricultural value chains				Outcome survey	Benchmark, Mid-term, Final	PMU	
Smallholder HH - Households	0	20100	40200					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Development Objective Catalyze climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihood	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	Institutional framework is allowing communities to be fully engaged in value chain action planning and water user entities to implement community-led water management; local Governments are committed to implement their gender and social inclusion policies and strategies.
	Household members - Number of people	0	129150	258300				
	Households (%) - Percentage (%)	0	50%	100%				
	Households (number) - Households	0	36900	73800				
	1.2.4 Households reporting an increase in production				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	No extreme climate events, natural disasters or economic shocks affecting agricultural production; local Governments are committed
	Total number of household members - Number of people	0	70350	140700				
	Households - Percentage (%)	0	27%	54%				
	Women-headed households - Households	0	1600	3200				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Households - Households	0	20100	40200				to implement their National Target Programs and socio-economic development plans; farmers benefit from improved water availability and control and are able to access improved technologies, timely climate information and early warning system, adequate extension and advisory services; farm households are able to continue financing their part or all of the investments ; private investors are interested in investing in business opportunities in smallholder s agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in CSA; financial service

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
								providers remain interested to invest in project-targeted value chains.
	SF.2.1 Households satisfied with project-supported services				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	At least 75% of the 67,000 households directly receiving services promoted or supported by the project under Component 2 are reporting satisfaction.
	Household members - Number of people	0	87937	175875				
	Women-headed households - Households	0	2000	4000				
	Households (%) - Percentage (%)	0	37,5	75				
	Households (number) - Households	0	25125	50250				
Outcome 1. Improved water availability and control through climate-resilient infrastructure development	1.2.3 Households reporting reduced water shortage vis-à-vis production needs				Outcome & Impact survey with specific indicators measuring empowerment; annual report from DARD (plant production)	Benchmark, Mid-term, Final	PMU, DARD	Surface water remain sufficient to ensure water supply for all targeted irrigation schemes; farmers are able to access
	Households - Percentage (%)	0	37,5	75				
	Households - Households	0	25000	50000				
	Total number of household members - Number of people	0	87500	175000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Women-headed households - Households	0	2250	4500				more water-efficient species or varieties (crops, livestock, aquaculture) and technologies; institutional framework is allowing water user entities to implement community-led water management.
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU, DARD	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes.
	Households reporting improved physical access to markets - Percentage (%)	0	9,50%	19%				
	Women-headed households - Households	0	560	1120				
	Households reporting improved physical access to markets - Households	0	7000	14000				
Output Output 1.1. Improved access to and efficiency of irrigation for smallholders	Households having improved access to irrigation				MIS, annual reports from DARD and DONRE	Annual	PMU, DARD, DONRE	No significant inflation or external shocks affecting the timely completion of all planned infrastructure schemes; local Governments are committed to implement their
	Households - Percentage (%)	0	30%	80%				
	Households - Households	0	20500	58800				
	Total number of household members - Number of people	0	71750	205800				
	Women-headed households - Households	0	1640	4700				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated (irrigation schemes)							

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Hectares of land - Area (ha)	0	4745	13257				National Target Programs.
	Irrigation and/or drainage canals (I or II) rehabilitated or upgraded							
	Length of canals - Km	0	49	98				
Output Output 1.2. Improved flood control and livelihoods protection	Sections of river dykes rehabilitated or upgraded							
	Length of river dykes - Km	0	9,8	24,8				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated (dykes)							
	Hectares of land - Area (ha)	0	860	3850				
	Households having agricultural and/or residential lands protected against floods and saline intrusion							
	Households - Percentage (%)	0	4%	20%				
	Households - Households	0	3000	15000				
	Total number of household members - Number of people	0	10500	52500				
	Women-headed households - Households	0	240	4200				
	2.1.5 Roads constructed, rehabilitated or upgraded							
Length of roads - Km	0	9,8	33,8					
Outcome Outcome 2A. Improved capacity and coordination for integrated water management	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				MIS, reports from PPC	Annual	PMU	Institutional framework is allowing communities to be fully engaged in value chain action planning and water user entities to implement community-led water management; local Governments are committed to
	Number - Number	0	4	8				
	IE.2.1 Individuals demonstrating an improvement in empowerment				Outcome & Impact survey with specific indicators measuring empowerment	Benchmark, Mid-term, Final	PMU	
	Total persons - Percentage (%)	0	50%	100%				
	Total persons - Number of people	0	33500	67000				
Young - Percentage (%)	0	10%	20%					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Young - Young people	0	6700	13400				implement their gender and social inclusion policies and strategies; non-lending resources are timely made available for project implementation; the local Government s will commit to create new job opportunities to strengthen climate information and early warning systems; increased business linkages between rural producer organizations and private sector will create new job opportunities.
	Females - Percentage (%)	0	25%	50%				
	Females - Females	0	16750	33500				
	Males - Percentage (%)	0	25%	50%				
	Males - Males	0	16750	33500				
	2.2.1 Persons with new jobs/employment opportunities							
	Males - Males	0	15	31				
	Females - Females	0	15	31				
	Indigenous people - Indigenous people	0	1	3				
	Young - Young people	0	5	10				
	Total number of persons with new jobs/employment opportunities - Number of people	0	30	62				
					MIS	Annual	PMU	
	Output Output 2.1. Improved local and institutional capacity and coordination mechanism for integrated, inclusive and climate-informed water management	Policy 1 Policy-relevant knowledge products completed						
	Number - Knowledge Products	0	1	3	MIS	Annual	PMU	
3.1.2 Persons provided with climate information services								
	Males - Males	0	16750	36900				
	Females - Females	0	16750	36900				
	Young - Young people	0	6700	14760				
	Persons provided with climate information services - Number of	0	33500	73800				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	people							
Output Output 2.2. Improved capacity and coordination for integrated water management	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks				MIS	Annual	PMU	
	Total size of groups - Number of people	0	4000	8000				
	Groups supported - Groups	0	80	160				
	Males - Males	0	2000	4000				
	Females - Females	0	2000	4000				
	Young - Young people	0	800	1600				
	Groups headed by women - Groups	0	24	48				
	Outcome Outcome 2B. Strengthened resilience of smallholders' agricultural businesses	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices						
Total number of household members - Number of people		0	29750	59500				
Households - Percentage (%)		0	11,60%	23,20%				
Women-headed households - Households		0	650	1300				
Households - Households		0	8500	17000				
2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities				Outcome and impact survey	Benchmark, Mid-term, Final	PMU, DARD		
Number of POs - Organizations	0	10	25					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Women in leadership position - Females	0	10	15				of smallholders' business models; capacity building on CSA technologies and practices combined with an enabling environment and market opportunities will translate into adoption and replication of profitable business models by smallholders; farm households are able to continue financing their part or all of the investments; private investors are interested in investing in business opportunities in smallholder agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in CSA; financial service providers remain interested to invest in

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output Output 2.3. Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge	1.1.4 Persons trained in production practices and/or technologies				MIS	Annual	PMU, DARD	No extreme climate events, natural disasters or economic shocks affecting agricultural production; local Governments are committed to implement their National Target Programs and socio-economic development plans; non-lending resources are timely made available for project implementation; policy dialogues will result in effective and actionable outputs for value chain development
	Total number of persons trained by the project - Number of people	0	33500	73800				
	Men trained in crop - Males	0	16750	36900				
	Women trained in crop - Females	0	16750	36900				
	Young people trained in crop - Young people	0	6700	14760				
	Total persons trained in crop - Number of people	0	33500	73800				
	3.1.4 Land brought under climate-resilient practices							
	Hectares of land - Area (ha)	0	7000	15000				
	2.1.3 Rural producers' organizations supported				MIS	Annual	PMU, DARD	
	Total size of POs - Organizations	0	2000	4000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
facilitated business linkages with the private sector	Rural POs supported - Organizations	0	40	80				t; market demand for the targeted value chains remains stable or increases to ensure profitability of smallholders' business models; farmers benefit from improved water availability and control and are able to access improved technologies, timely climate information and early warning system, adequate extension and advisory services; farm households are able to continue financing their part or all of the investments ; private investors are interested in investing in business opportunities in smallholder agriculture along conditions promoted by the project; producer groups are interested in inclusive value chain, and willing to invest in
	Males - Males	0	1000	2000				
	Females - Females	0	1000	2000				
	Young - Young people	0	400	800				
	Policy 2 Functioning multi-stakeholder platforms supported							
Number - Platforms	0	4	7					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	

**Appendix 6.A. Pre-identified List of interventions in Thanh Hoa Province
(To be financed by IFAD Loan)**

ID	Pumping station scheme's name	Location (commune, town)	Irrigaion mangement type	Current status of proposed schemes and problems / Hiện trạng công trình và các vấn đề gặp phải					
				Constructi on year	Major upgradatio n years	Designe d command area (Ha)	Curren t irrigate d area (Ha)	Full-irrigate d area (Ha)	Total length of canals and dikes (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện tại (Ha)	DT tưới sau dự án (Ha)	Chiều dài HT kênh/đê (Km)
1	2	3	4	5	6	7	8	9	10
	TOTAL / TỔNG	9	3			3.347	2.981	3.537	125,07
I	HA TRUNG DISTRICT / HUYỆN HÀ TRUNG	7	3			3.077	2711	3.267	75,77
1	Upgradting some sections of main and branch irrigation canals supplied water from Pumping Station Cong Phu (I,II) for serving Ha Tan, Ha Tien and Ha Yen communes / Nâng cấp một số đoạn kênh tưới chính và các kênh nhánh của Trạm bơm Công Phú (I, II)	Ha Tan, Ha Tien, Yen Duong / Hà Tân, Hà Tiên and Yên Dương	Ha Trung Irrigation Branch (Nothern Ma River Irrigation Company)/ CNTL Hà Trung (Công ty Thủy lợi Bắc Sông Mã)	1990		870,00	870,00	870,00	10,28

ID	Pumping station scheme's name	Location (commune, town)	Irrigaion mangement type	Current status of proposed schemes and problems / Hiện trạng công trình và các vấn đề gặp phải					
				Constructi on year	Major upgradatio n years	Designe d comman d area (Ha)	Curren t irrigate d area (Ha)	Full- irrigate d area (Ha)	Total length of canals and dikes (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện tại (Ha)	DT tưới sau dự án (Ha)	Chiều dài HT kênh/đê (Km)
	phục vụ cho các xã Hà Tân, Hà Tiến và Hà Yên								
2	Upgrading irrigation canal N2 of Pumping Station Cong Phu (I,II) for Yen Son cummune / Nâng cấp kênh tưới nhánh N2 Trạm bơm Công Phú (I, II) cho xã Yên Sơn	Yen Son/ Yên Sơn	Ha Trung Irrigation Branch/ CNTL Hà Trung	1990		280,00	280,00	280,00	3,50
3	Pumping Station Ha Phu / Trạm bơm Hà Phú	Linh Toai, Ha Thai, Ha Hai Linh Toại, Hà Thái, Hà Hải	Ha Trung Irrigation Branch/ CNTL Hà Trung	1998	2022, 2023 thay động cơ bơm	947,00	850,00	947,00	8,62
4	Pumping Station Cong Da / Trạm bơm Công Đá	Ha Chau/ Hà Châu	Ha Trung Irrigation Branch/ CNTL Hà Trung	1985	2015	400,00	350,00	400,00	4,50

ID	Pumping station scheme's name	Location (commune, town)	Irrigaion mangement type	Current status of proposed schemes and problems / Hiện trạng công trình và các vấn đề gặp phải					
				Constructi on year	Major upgradatio n years	Designe d command area (Ha)	Curren t irrigate d area (Ha)	Full-irrigate d area (Ha)	Total length of canals and dikes (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện tại (Ha)	DT tưới sau dự án (Ha)	Chiều dài HT kênh/đê (Km)
5	Pumping Station Tu Quy / Trạm bơm Tứ Quý	Ha Son / Hà Sơn	CPC, Cooperative / UBND xã, HTX	1988		150,00	150,00	340,00	7,51
6	Pumping Station Che Thon / Trạm Bơm tưới Chế Thôn	Linh Toai / Lĩnh Toại	CPC, Cooperative / UBND xã, HTX	1997		90,00	61,00	90,00	4,00
7	Pumping Station Thanh Noi / Trạm bơm Thanh Nội	Hoạt Giang / Hoạt Giang	CPC, Cooperative / UBND xã, HTX	1992		340,00	150,00	340,00	4,20
8	Upgrading Hoat river dyke / Nâng cấp đê tả sông Hoạt	Ha Giang and Ha Bac communes in Ha Trung / Các xã huyện Hà Trung, Xã hưởng lợi chính là Hà Giang và Hà Bắc	DPC, CPCs / UBND huyện và các UBND các xã						33,16
II	HOANG HOA DISTRICT / HUYỆN HOÀNG HÓA	2				270	270	270	49,30
1	Upgradin g dykes of Cung river / Nâng cấp hệ thống đê sông Cung					0	0	-	31,90

ID	Pumping station scheme's name	Location (commune, town)	Irrigaion mangement type	Current status of proposed schemes and problems / Hiện trạng công trình và các vấn đề gặp phải					
				Constructi on year	Major upgradatio n years	Designe d command area (Ha)	Curren t irrigate d area (Ha)	Full-irrigate d area (Ha)	Total length of canals and dikes (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện tại (Ha)	DT tưới sau dự án (Ha)	Chiều dài HT kênh/đê (Km)
1, 1	East dyke of Cung river / Phần Đông sông Cung	Hoang Yen, Hoang Ngoc, Hoang Dong / Hoàng Yên, Hoàng Ngọc, Hoàng Đông	DPC, CPCs / UBND huyện và các UBND các xã						12,900
1, 2	West dyke of Cung river Phần Tây sông Cung	Hoang Ha, Hoang Dat, Hoang Dat, Hoang Dao, Hoang Luu/ Hoàng Hà, Hoàng Đạt, Hoàng Đạo, HoàngThắng, Hoàng Lưu	DPC, CPCs / UBND huyện và các UBND các xã						10,000
1, 3	Productio n access roads connected to the proposed dike system / Tuyến đường kết nối với đê là đường sản xuất, cứu hộ cứu nạn thuộc đê Đông và Tây sông Cung	Xã Hoàng Yên, Hoàng Đông, Hoàng Hà, Hoàng Thắng, Hoàng Ngọc, Hoàng Lưu, Hoàng Đạo, huyện Hoàng Hóa	DPC, CPCs / UBND huyện và các UBND các xã						9,000

**Appendix 6.B. Pre-identified List of interventions in Nghe An Province
(To be financed by IFAD Loan)**

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgrade year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgrade (Ha)	Total canals Length (Km)
T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
1	2	3	4	5	6	7	8	9	10
	TOTAL/ TỔNG	60	48			7.678	7.491	8.326	373,80
I	CON CUONG DISTRICT / HUYỆN CON CUÔNG	1	0			114	114	114	6,00
1	TB 2-9 xã Châu Khê / PS 2-9 Chau Khe commune	Châu Khê / Chau Khe	Company	2002	2018	114	114	114,00	6,00
II	ANH SON DISTRICT / HUYỆN ANH SƠN	4	2			405	405	505	15,40
2	TB Vĩnh Sơn / PS Vĩnh Sơn	Vĩnh Sơn / Vĩnh Sơn	Company	2010	Not yet	50,00	50,00	90,00	3,50
3	TB Lạng Sơn / PS Lạng Sơn	Lạng Sơn / Lạng Sơn	Company	2003	Not yet	40,00	40,00	100,00	2,20
4	TB Tào Sơn / PS Tào Sơn	Tào Sơn / Tào Sơn	Cooperative, Commune	2019		185,00	185,00	185,00	3,00
5	TB Khai Sơn / PS Khai Sơn	Khai Sơn / Khai Sơn	Cooperative, Commune	1994		130,00	130,00	130,00	6,70
III	DO LUONG DISTRICT / HUYỆN	9	9			1.555	1.555	1.555	84,70

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgradation year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgradation (Ha)	Total canals Length (Km)
T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
	ĐỒ LƯƠNG								
6	TB Ngọc Sơn / PS Ngọc Sơn	Ngọc Sơn / Ngọc Sơn	Cooperative, Commune	2015	Not yet	145,00	145,00	145,00	5,00
7	TB Chùa / PS Chua	Lam Sơn / Lam Sơn	Cooperative, Commune	2009	2023	300,00	300,00	300,00	9,60
8	TB Động Đò / PS Dong Do	Bôi Sơn / Bôi Sơn	Cooperative, Commune	2001	2020	84,00	84,00	84,00	8,20
9	TB Hói Quai (Tràng thành) PS Hoi Quai (Trang Thanh)	Tràng Sơn / Trang Sơn	Cooperative, Commune	2009	Not yet	160,00	160,00	160,00	8,50
10	TB Rú Già / PS Ru Già	Đà Sơn / Đa Sơn	Cooperative, Commune	1987	Not yet	170,00	170,00	170,00	11,00
11	TB Thuận Sơn 1 PS Thuan Son 1	Thuận Sơn / Thuan Sơn	Cooperative, Commune	2007	Not yet	210,00	210,00	210,00	7,10
12	TB Lưu Sơn / PS Lưu Sơn	Lưu Sơn / Lưu Sơn	Cooperative, Commune	1973	Not yet	260,00	260,00	260,00	15,00
13	TB số 1 / PS No 1	Đặng Sơn / Dang Sơn	Cooperative, Commune	1976	1985	109,00	109,00	109,00	12,70
14	TB Khả Phong 1 / PS Kha Phong 1	Nam Sơn / Nam Sơn	Cooperative, Commune	2001	Not yet	117,00	117,00	117,00	7,60
IV	THANH CHUONG DISTRICT /	22	14			2.309	2.169	2.387	111,10

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgradation year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgradation (Ha)	Total canals Length (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
	HUYỆN THANH CHUÔNG								
15	TB Cát Vãn / PS Cat Van	Cát Vãn / Cat Van	Company	1985	2001	200,00	200,00	200,00	10,30
16	TB Thanh Hưng 1 / PS Thanh Hưng 1	Đại Đồng / Dai Dong	Company	1975	2013	99,00	99,00	99,00	3,10
17	TB Thanh Hưng 2 / PS Thanh Hưng 2	Đại Đồng / Dai Dong	Company	1985	2001	129,00	129,00	129,00	5,60
18	TB Rạng PS Rang	Đại Đồng / Dai Dong	Company	1963	2000	344,00	344,00	344,00	13,40
19	TB Đông Vãn / PS Dong Van	TT Dũng / Dung town	Company	1963 SC 2001	2001	289,00	289,00	289,00	9,80
20	TB Rú Ngược / PS Ru Nguoc	Thanh Ngọc / Thanh Ngoc	Company	1963 SC 2000	2000	267,00	267,00	267,00	12,10
21	TB Rú Dũng / PS Ru Dung	Thanh Yên / Thanh Yen	Company	1964 SC 2001	2001	161,00	161,00	161,00	8,70
22	TB Thanh Minh / PS Thanh Minh	Võ Liệt / Vo Liet	Company	1967	1982	120,00	0,00	120,00	0,50
23	TB Văn Long / PS Van Long	Đại Đồng / Dai Dong	Cooperative, Commune	2012	Not yet	58,00	58,00	66,00	4,50
24	TB Thị Trấn / PS Town	TT Dũng / Dung town	Cooperative, Commune	1984	2001	6,24	6,24	6,24	0,80
25	TB số 1 / PS No 1	Thanh Lĩnh /	Cooperative,	1985	2008	120,00	120,00	120,00	8,00

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgrade year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgrade (Ha)	Total canals Length (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
		Thanh Linh	Commune						
26	TB số 2 / PS No 2	Thanh Lĩnh / Thanh Linh	Cooperative, Commune	1985	2008	40,00	40,00	40,00	5,00
27	TB Gia Hội / PS Gia Hoi	Thanh Tiên / Thanh Tien	Cooperative, Commune	1990	2001	11,20	11,20	11,20	1,80
28	TB Thôn Thượng / PS Thon Thuong	Thanh Lĩnh / Thanh Linh	Cooperative, Commune	1978	2016	15,00	15,00	15,00	3,2
29	TB Lâm Sơn / PS Lam Son	Thanh Lâm / Thanh Lam	Cooperative, Commune	1986	Not yet	45,00	45,00	45,00	2,20
30	TB Cầu Kho / PS Cau Kho	Thanh Lâm / Thanh Lam	Cooperative, Commune	1986	Not yet	40,00	40,00	40,00	3,00
31	TB Đồng Cừa / PS Dong Cua	Thanh Lâm / Thanh Lam	Cooperative, Commune	1986	Not yet	40,00	40,00	40,00	1,00
32	TB Ba Bền / PS Ba ben	Thanh Thịnh / Thanh Thinh	Cooperative, Commune	1986	Not yet	60,00	60,00	60,00	3,30
33	TB số 2 (Thanh Hà) / PS No 2 (Thanh Ha)	Thanh Hà / Thanh Ha	Cooperative, Commune	2000	Not yet	95,00	95,00	95,00	3,00
34	TB số 3 / PS No 3	Xuân Tường / Xuan Tuong	Cooperative, Commune	1988 (sc 2016)	2016	55,00	55,00	105,00	4,00
35	TB số 5 / PS No 5	Xuân Tường / Xuan Tuong	Cooperative, Commune	1988	2017	55,00	35,00	55,00	2,00
36	TB Trùa Bè / PS Trua Be	Ngọc Sơn / Ngoc Son	Cooperative, Commune	2000	Not yet	60,00	60,00	80,00	5,80

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgrade year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgrade (Ha)	Total canals Length (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
V	NAM DAN DISTRICT / HUYỆN NAM ĐÀN	14	13			2.546	2.546	2.986	99,50
37	TB Du Du / PS Du Du	Khánh Sơn / Khanh Son	Cooperative, Commune	1994		70,00	70,00	70,00	0,70
38	TB 3-2 xóm 8 / PS 3-2 village 8	Khánh Sơn / Khanh Son	Cooperative, Commune	1994		50,00	50,00	50,00	3,10
39	TB Cầu Treo / PS Cau Treo	Khánh Sơn / Khanh Son	Cooperative, Commune	1990 SC 2016	2016	13,00	13,00	13,00	3,00
40	TB Bến Mung / PS Ben Mung	Khánh Sơn / Khanh Son	Cooperative, Commune	1983		30,00	30,00	30,00	2,50
41	TB Nam Đông / PS Nam Dong	Khánh Sơn / Khanh Son	Company	2000		480,00	480,00	530,00	17,00
42	TB Chính / PS Chinh	Xuân Lâm / Xuan Lam	Cooperative, Commune	2004		372,00	372,00	372,00	8,00
43	TB Hồng Long 2 / PS Hong Long 2	Hồng Long / Hong Long	Cooperative, Commune	2002		181,00	181,00	181,00	12,50
44	TB Rú Gành / PS Ru Ganh	Hùng tiến Hung Tien	Cooperative, Commune	1983		500,00	500,00	500,00	21,00
45	TB Núi Đụn / PS Nui Dun	Thị trấn / Town	Cooperative, Commune	1987		90,00	90,00	450,00	5,00
46	TB Hùng Sơn 1 / PS Hung Son 1	Thị trấn / Town	Cooperative, Commune	1990		45,00	45,00	45,00	1,70

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgradation year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgradation (Ha)	Total canals Length (Km)
T T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
47	TB Hùng Sơn 2 / PS Hung Son 2	Thị trấn / Town	Cooperative, Commune	2011		35,00	35,00	35,00	1,00
48	TB Đại Đồng / PS Dai Dong	Thượng Tân Lộc / Thuong Tan Loc	Cooperative, Commune	1985		100,00	100,00	100,00	5,00
49	TB Rú Tuấn / PS Ru Tuan	Thượng Tân Lộc / Thuong Tan Loc	Cooperative, Commune	1994		250,00	250,00	250,00	4,00
50	TB Nam Trung / PS Nam Trung	Trung Phúc Cường / Trung Phuc Cuong	Cooperative, Commune	2004		330,00	330,00	360,00	15,00
VI	HUNG NGUYEN DISTRICT / HUYỆN HUNG NGUYỄN	10	10			749	702	779	57,10
51	TB Chợ Mí / PS Cho Mí	Châu Nhân / Chau Nhan	Cooperative, Commune	1998		127,00	80,00	127,00	3,10
52	TB Xóm 9 / PS Village 9	Châu Nhân / Chau Nhan	Cooperative, Commune	1982 SC 2010	2010	35,00	35,00	35,00	2,00
53	TB Hồng Lạc / PS Hong Lac	Châu Nhân / Chau Nhan	Cooperative, Commune	1992		15,00	15,00	30,00	2,00
54	TB Phú Xuân / PS Phu Xuan	Châu Nhân / Chau Nhan	Cooperative, Commune	1990		15,00	15,00	30,00	1,50
55	TB Hưng Phú / PS Hung Phu	Hưng Thành / Hung Thanh	Cooperative, Commune	2013		135,00	135,00	135,00	5,00

ID	Pumping station scheme's name	Location (commune, town)	Irrigation management type	Construction year	Major upgradation year	Designed command area (Ha)	Current irrigated area (Ha)	Full-irrigated area after upgradation (Ha)	Total canals Length (Km)
T	Tên công trình	Địa điểm xây dựng (Xã, Thị trấn)	Đơn vị quản lý	Năm xây dựng	Các năm nâng cấp, SC lớn	DT tưới thiết kế (Ha)	DT tưới hiện trạng (Ha)	DT tưới sau nâng cấp (Ha)	Chiều dài HT kênh (Km)
56	TB Hưng Khánh / PS Hưng Khanh	Châu Nhân / Chau Nhan	Cooperative, Commune	1990 SC 2014	2014	70,00	70,00	70,00	3,50
57	TB Hưng Lam / PS Hưng Lam	Xuân Lam / Xuan Lam	Cooperative, Commune	1983		85,00	85,00	85,00	10,00
58	TB Chợ Vực / PS Cho Vuc	Long Xá / Long Xa	Cooperative, Commune	1993		92,00	92,00	92,00	4,00
59	TB Hồ Dài / PS Ho Dai	Long Xá / Long Xa	Cooperative, Commune	1982		160,00	160,00	160,00	23,00
60	TB xóm Thành Sơn / PS village Thanh Son	Long Xá / Long Xa	Cooperative, Commune	1982		15,00	15,00	15,00	3,00

Appendix 6.C. Pre-identified List of Additional interventions in Nghe An Province (To be financed Grant/Financing Gap)

Name of schemes	Location	Type of construction	Current situation and Problems / Hiện trạng và các vấn đề gặp phải	Proposed hard interventions / Nội dung đầu tư	Command area (ha)	Cost estimate (USD)
NGHE AN PROVINCE/ TỈNH NGHỆ AN					1.394	4.235.001
CON CUONG DISTRICT / HUYỆN CON CUÔNG					668,71	3.113.971
Pha Lai weir - Mon Son / Đập Pha Lại - Môn Sơn	Mon Son commune, Con Cuong district/ Xã Môn Sơn Huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	Irrigation canal on the right bank: 4,230 m, the canal cross-section is narrowed, the wall and bottom surfaces are eroded and punctured, causing water loss. Many sections of the canal built with rough stones are now seriously degraded.	Renovate and solidly expand the canal cross-section to ensure water flow	152,11	581.275
Phai Khi weir - Luc Da / Đập Phai Khi - Lục Dạ	Luc Da commune - Con Cuong district / Xã Lục Dạ - Huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	- Irrigation canal: 8,471 m of the main canal is a concrete canal, the wall surface and bottom of the canal have been eroded and punctured, causing water loss; About 1,000 m of the right bank canal is at risk of collapse due to downstream diversion and erosion to the foot of the canal; - Production road along main canal: 1,500m of dirt road, often muddy in the rainy season.	- Renovate and reinforce about 3,000 m of canal walls and bottom; - Build a groyne and straighten the channel to deviate from the 1,000 m long right bank canal; - Upgrade 1,500 m of infield road sandwiching the main canal, currently a dirt road.	192,5	352.917
Khe lo lon weir- Mon Son / Đập khe ló lớn - Môn Sơn	Mon Son commune, Con Cuong district / Xã Môn Sơn Huyện Con Cuông	Upgradation / Nâng cấp	- Irrigation canal: 2,422 m of main canal is currently an earthen canal for both irrigation and drainage; - Canal clamp road: 500m is a dirt canal, often muddy in the rainy season.	- Solidify 2,422 m of main canal; - Upgrade 500 m of infield road sandwiching the main canal, currently a dirt road.	30,27	249.118

Name of schemes	Location	Type of construction	Current situation and Problems / Hiện trạng và các vấn đề gặp phải	Proposed hard interventions / Nội dung đầu tư	Command area (ha)	Cost estimate (USD)
Phai Ke weir- Luc Da / Đập Phai Kè - xã Lục Dạ	Luc Da commune, Con Cuong district / xã Lục Dạ huyện Con Cuông	Upgradation / Nâng cấp	500m of farmland along Khe Moi is subject to landslides every year, with a high risk of washing away productive land	Construction of Moi ravine embankment combined with a flow-direction groynes system	39,69	83.039
Moi village weir- Luc Da / Đập Bản Mọi - xã Lục Dạ	Luc Da commune, Con Cuong district / xã Lục Dạ huyện Con Cuông	Upgradation / Nâng cấp	Erosion of wing walls and water intakes were swept away.	Reinforce the wing wall, build an embankment downstream of the dam to prevent erosion with a length of 50m	18,22	83.039
Khe Luong weir - Yen Khe / Đập Khe Luông - Yên Khê	Yen Khe commune, Con Cuong district / xã Yên Khê huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	Irrigation canal: 400m is currently a land canal; 500 m along the gully was eroded	Solidify 400m of main canal, current status is earthen canal; Build an embankment to protect the irrigation area, 500 m long.	38,49	62.279
Khe Cam weir- Chi Khe / Đập Khe Cam - Chi Khê	Chi Khe commune, Con Cuong district xã Chi Khê huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	Irrigation canal: 556m is a brick- built canal that has been degraded and is losing water	Solidify canals with concrete structures	33,67	41.520
Dong Tien weir - Lang Khe / Đập Đồng Tiến - Lạng Khê	Lang Khe commune, Con Cuong district / xã Lạng Khê huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	1,310m of farmland along Dong Tien stream is eroded every year, washing away productive land	Build an embankment along the slot combined with a flow-direction groynes system to protect productive land	42,86	166.078
Phai Long weir - Don Phuc Đập Phai Lòng - Đôn Phục	Don Phuc commune, Con Cuong district / xã Đôn Phục huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	500m of farmland along Phen Khe erodes every year, washing away productive land. 470 right bank irrigation canals collapse and fill up.	- Build an embankment along the slot combined with a stream- oriented groyne system to protect productive land; - Renovate and reinforce the walls and slabs of the 470m right bank canal.	25,16	332.157
Phai Luong weir - Don Phuc Đập Phai Luông - Đôn Phục	Don Phuc commune, Con Cuong district / xã Đôn Phục huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	800 m of canals are land canals, 600 m of farmland along Khe Phen is eroded every year, washing away productive land.	- Solidify 800 m of current land canal; - Build an embankment along the slot combined with a stream- oriented groyne system to protect production land, 600 m long.	25,16	332.157

Name of schemes	Location	Type of construction	Current situation and Problems / Hiện trạng và các vấn đề gặp phải	Proposed hard interventions / Nội dung đầu tư	Command area (ha)	Cost estimate (USD)
Na Co weir - Binh Chuan Đập Nà Cọ - Bình Chuẩn	Binh Chuan commune, Con Cuong district / xã Bình Chuẩn huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	The right bank irrigation canal with a length of 1784m is degraded, the water flow is not guaranteed to serve; 1800 m along the ravine was eroded, causing loss of arable land	- Solid concrete for 1784m of canal; - Protection embankment along the rice field, length of 1800 m.	50,58	415.196
Cam village weir - Cam Lam Đập Bản Cam - Cam Lâm	Cam Lam commune, Con Cuong district / Xã Cam Lâm huyện Con Cuông	Rehabilitation and upgradation / Cải tạo, Nâng cấp	500 m of water pipes passing through the slot were swept away; 20 hectares of farmland were abandoned	Installation and restoration of 500 m of water pipeline through the ravine; Reclaiming 20 hectares of wet rice area.	20	415.196
ANH SON DISTRICT / HUYỆN ANH SON					725,50	1.121.030
Tuong Son PS / Trạm bơm Tường Sơn	Tuong Son comunune, Anh Son district / Xã Tường Sơn huyện Anh Sơn	Upgradation / Nâng cấp	- Degradation of 500m of main canal; - 300m of production road along the main canal is dirt road.	- Solidification of irrigation canals: 500m of main canal; - Upgrade road along main canal: 300m.	272,5	166.078
Thach Son PS / Trạm bơm Thạch Sơn	Thach Son comunune, Anh Son district / Xã Thạch Sơn huyện Anh Sơn	Upgradation / Nâng cấp	- 800m of main canal degraded; - 1700m of production road along the main canal is dirt road.	- Solidification of irrigation canals: 800m of main canal; - Upgrading H27 production road along canals: 1700m.	179	207.598
Ling Son PS / Trạm bơm Lĩnh Sơn	Linh Son comunune, Anh Son district / Xã Lĩnh Sơn huyện Anh Sơn	Upgradation / Nâng cấp	- Need to upgrade production road along the canal: 900m.	- Upgrading production road along the canal: 900m.	229	83.039
Thanh Son PS / Trạm bơm Thành Sơn	Thanh Son comunune, Anh Son district / Xã Thành Sơn huyện Anh Sơn	Rehabilitation and upgradation / Cải tạo, Nâng cấp	- Degraded pump sets: 02 sets - The operator and management have not yet been established; - 4000m of main canal degraded;	- Replace pump: 02 sets - Upgrading the operation house combined with management; - Solidification of irrigation canals: 4000m of main canal;	45	664.314

Appendix 7. Guidance Note for capacity building, training, and technical assistance for ESCMF/P and SECAP implementation

Institutional Capacity Assessment

To ensure effective and consistent training on environmental and social aspects, particularly under the new IFAD SECAP (2021), the training should be provided by qualified national consultants. In addition to refresher trainings on safeguards pertaining to waste management, use and disposal of pesticides/fertilizers, etc., there must be additional training focused on ensuring the effective performance of contractors – including provision of adequate services related to health, safety of workers and local communities.

At provincial level, in each province Provincial People’s Committee is the project owner who implements the project through its lead agency which is the Agricultural and Rural Development Project Management Unit (Thanh Hoa province) and Department of Agriculture and Rural Development (DARD) (Nghe An). In each province, this unit will work closely with other relevant department such as Department of Planning and Investment (DPI), Department of Natural Resources and Environment (DONRE). All these provinces have experience in implementing IFI-funded projects. Many national consultants and local authorities also have some knowledge and experience of the former IFAD safeguard requirements, but are less familiar with the new IFAD SECAP, so sensitization to the new framework and changes in requirements is crucial. Training and capacity building on the application of the IFAD SECAP will be required. Training should include to adequately: (i) screen for and differentiate between small- and medium-scale infrastructure; and (ii) ensure follow-up assessments (if the screening deems this necessary) prior to sub-project implementation.

Training and Technical Assistance

Training and capacity building on the IFAD SECAP should focus on familiarity with and understanding the concepts of proportionality and adaptive management. It must also cover the implementation of the safeguards documents, particularly as they relate to (i) contractor management and monitoring of E&S issues concerning labour; (ii) community health and safety; (iii) environmental health and safety; and (iv) requirements for systematic stakeholder engagement. The targeted training programs focused on E&S risk management could also help strengthening inter-agency coordination and cooperation which is critical for ensuring effective management of all aspects of forest management and deforestation-free production. Given the project structure and the plan to implement a number of subprojects in each province involved, significant inputs from qualified national consultants will be required, along with on-the-job training on assessing risks and impacts management during preparation and implementation.

1. During implementation of Project, E&S training and technical assistance will be provided to the implementing agencies both at the Project and subproject level. During the first three years, the PPMU will conduct at least two safeguard training workshops per year (one on environment and one on social) to the subproject owners regarding the ESCMF process and needs for preparation of safeguard documents (ESCMPs, SEP, EM Plans, and ECOP when needed, etc.). When possible, an IFAD SECAP Specialist will participate in these training workshops. Safeguards technical training for any other specific issues and related aspects should occur at least once per year for the following years. This could be combined with the annual IEC.
2. Priority for training should include, but is not limited to, the following:
 - (i) The ESCMF process and guidelines for preparation, implementation, and supervision of E&S instruments designed for CRWIS and its subprojects;

- (ii) Specific training on the EM Plans, SEP, and labour management with regard to planning and implementation, including the application of differentiated GRM pathways to more effectively respond to local complaints;
- (iii) Specific training on supervision and monitoring of contractor performance, including forms and reporting processes; basic knowledge on health and safety; good construction practices for reducing potential impacts on local environment and local peoples; Codes of Conduct on SEA; and communication and GRM procedures and other social issues related to communicable diseases (including covid-19), etc.;
- (iv) Specific training on IPM; safe use and disposal of pesticides/herbicides/chemical fertilizers being used in primary production;
- (v) Specific training on waste management, including hazardous and bio-hazardous waste;
- (vi) Specific training on the use of PPE and best practices (during construction, pesticide application, etc.).

Technical Assistance on E&S Capacity Building

Given the specific needs related to E&S training and limited capacity of some agencies with respect to the newest IFAD SECAP, a qualified national firm could be mobilized by the PPMU to provide E&S training, supervision, monitoring, and reporting of the ESCMF implementation and SECAP compliance to IFAD. If required by IFAD, the PPMU will also mobilize an independent monitoring agency (IMA) for monitoring of EM Plan implementation, and other E&S consultants to assist in the preparation and/or monitoring of various E&S activities during implementation. PPMUs may mobilize E&S consultants (either individual or hired through a firm) to assist in the implementation of ESCMF, preparation of E&S documents, and mitigation measures of the subprojects under their responsibility.

Further studies

The following assessments have been completed at design:

- Targeted Adaptation Assessment.
- Stakeholder Engagement Plan (which includes project-level Grievance Redress Mechanism).
- FPIC Implementation Plan.
- Ethnic Minority Plan (Indigenous Peoples Plan).
- Resettlement Action Framework / Plan.
- ESCMF, including the ESCMP.
- Chance Finds Procedure.
- Integrated Fertilizer/Pesticide Management Plan.

Because the design stage elaborates the full scope of the project and activities, the following studies/assessments will be required:

- The environmental social impact assessment (ESIA) might be needed for specific infrastructure sub-projects before the investments take place.
- SECAP ratings have been revisited and revised, additional studies will be needed to confirm particularly as regards
 - the extent of historical pollution and its impacts on agriculture, human health and the environment in CRWIS target geographies
 - the extent and nature of land acquisition and economic displacement, under Component 1, to inform the preparation of the Resettlement Action Plan or Framework.

- the command area of irrigation systems identified for upgrade and rehabilitation.
- Additional studies/assessment as identified during project implementation.

ESCMF Implementation budget

The following ESCMF implementation costs are covered under the employment of the two safeguards specialists in each PPMU, as they are responsible for (a) preparation of E&S documents of subprojects, including consultation with local authorities and communities; (b) supervision, monitoring, and training workshops on E&S issues; (c) implementation and monitoring of the ESCMPs, SEP, EM Plan, and Gender Action Plan (with the support of the project's Monitoring & Evaluation Specialist); and (d) ensuring contractors implement their respective ECOP and Codes of Conduct for GBV and VAC (if identified during screening), and any site-specific measures. When needed, qualified national (individual or firm) consultants for capacity building and training on ESCMF implementation and the concepts of the IFAD SECAP will be provided. Budget for trainings and capacity building are mainstreamed into the project budget across project outputs/components, so are not listed explicitly in Table below.

Costs related to staffing, implementation, and monitoring of the ESCMF, as well as costs more broadly focused on safeguards and built into existing project activities/components, can be found in Table.

Table. Estimated ESCMF implementation cost

Description	Total Cost (US\$)
Staff cost	
Environment & Climate Safeguards Specialist in Thanh Hoa	125,000
Environment & Climate Safeguards Specialist in Nghe An	125,000
Gender & Social Safeguards Specialist in Thanh Hoa	125,000
Gender & Social Safeguards Specialist in Nghe An	125,000
Project Monitoring & Evaluation Expert in Thanh Hoa	125,000
Project Monitoring & Evaluation Expert in Nghe An	125,000
Environmental and social studies/assessments	
Environmental and social studies/assessments in Thanh Hoa	200,000
Environmental and social studies/ assessment in Nghe An	200,000
Capacity building & training	
Capacity building & training in Thanh Hoa	413,686
Capacity building & training in Nghe An	413,686
TOTAL COSTS	1,727,372

Appendix 8. Financial Management Manual (FMM)

Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh
Hoa and Nghe An Provinces (CRWIS), Vietnam

Financial Management section of PIM

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Glossary of terms

Term	Description
CRWIS	Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces
Borrower	Government of the Republic of Vietnam
DSA	Daily Subsistence Allowance
FM	Financial Management
CA	Chief Accountant
GoV	Government of Vietnam
IPs	Implementing partners
ICP	IFAD Client Portal
IFAD	International Fund for Agricultural Development
VNASs	Vietnam National Accounting Standards
SAV	State Audit Office of Vietnam
MoF	Ministry of Finance
PMB	Project Management Board
PIM	Project Implementation Manual
IFRs	Interim Financial Reports
SOE	Statement of Expenditure
TOR	Terms of reference
WA	Withdrawal Application
VND	Vietnam Dong

1.Introduction

The Project is implemented by Project Management Boards (PMB) of Thanh Hoa And Nghe An Provinces under the terms and conditions of the financing agreement signed between the Republic of Vietnam and IFAD. Both provinces will have identical implementation structure and arrangements. PMB will have the responsibility to implement sound financial management practices. This financial manual outlines the financial management processes and procedures to be implemented by PMB and implementing partners during the duration of the Project.

Reference material

This document should be read together with the:

- ✓ Project financing agreement entered into between the Borrower and IFAD
- ✓ Financial Management and Financial Control Arrangements Letter
- ✓ IFAD General Conditions for Agricultural Development Financing
- ✓ IFAD Loan Disbursement Handbook
- ✓ IFAD Handbook on Financial Reporting and Auditing of IFAD-funded projects

Click [here](#) for links to documents.

Updates and changes to financial management arrangements

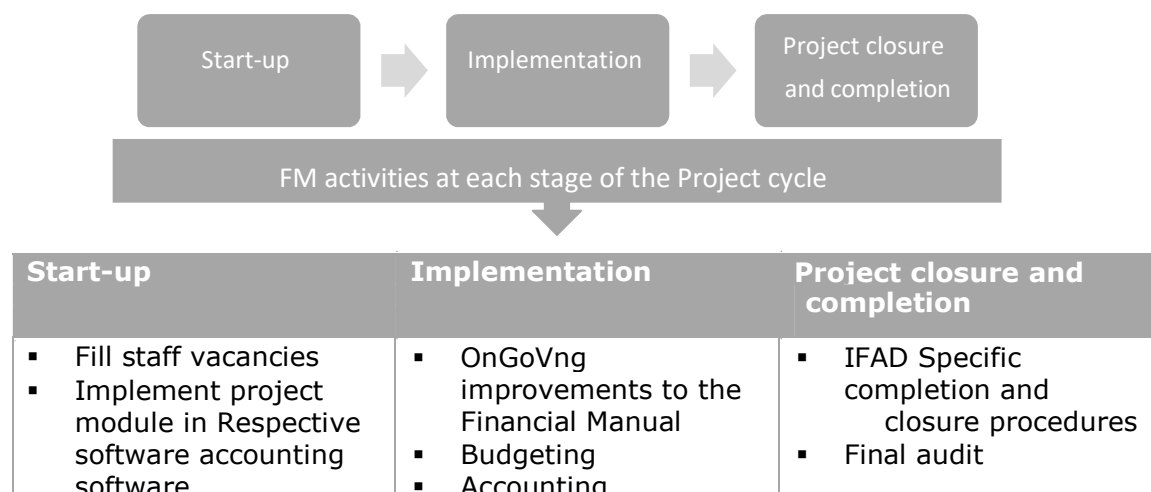
CRWIS is an IFAD-funded Project, therefore, in line with IFAD’s efforts to capacitate and support projects, this section was developed during the project design process. It is envisaged that ongoing improvements and updates to financial management arrangements be updated in this section of the PIM under supervision of the Respective software PMB CA and subject to IFAD no objection.

Project summary

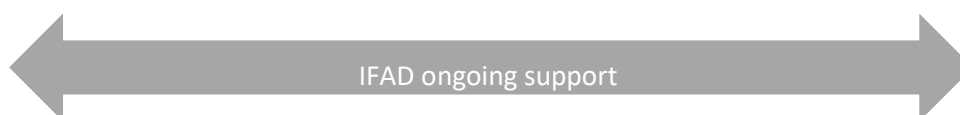
Project name	Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)
Financiers	<ul style="list-style-type: none"> • <i>IFAD – PBAS - US\$ 25 million</i> • <i>IFAD BRAM – US\$ 20 million</i> • <i>AF grant – US\$ 10 million</i> • <i>Gov Counterpart – US\$ 28.2 million</i> • <i>Beneficiaries – US\$ 7 million</i> • <i>Grant financing gap – US\$ 10.8 million</i> • <i>Total financing – US\$ 101 million</i>
Implementation period	6 years

2. Project cycle and financial management activities

The CA of the PMB will have final responsibility for the execution of the activities at each stage of the Project cycle as outlined below:



<ul style="list-style-type: none"> ▪ Identify possible Respective software accounting software customizations and implement (related to financial reporting) ▪ Preparation of first annual work plan and budget ▪ Opening of bank accounts ▪ Start-up training ▪ Attend anticorruption workshop hosted by IFAD. 	<ul style="list-style-type: none"> ▪ Disbursements and withdrawals ▪ Record keeping ▪ Internal controls ▪ Cashflow forecasting ▪ Auditing ▪ On-GoVng training ▪ Implement performance evaluation¹ ▪ Financial reporting to IFAD 	<ul style="list-style-type: none"> ▪ Asset and inventory handover ▪ Budget wrap up ▪ Submit final WA for justification ▪ Refund of unspent balance
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NB: The PMB CA will have the final responsibility to prepare consolidated financial reports for submission to IFAD. Refer to [13](#). for more detail.

3.Pre-implementation activities

During the start-up of the Project it is recommended that Project staff undertake the following activities. These activities are recommended to ensure that Project staff are well informed and knowledgeable with regards to the financial management aspects of the Project once implementation commences:

Activity	Overview
<i>Financial management staff appointment</i>	<ul style="list-style-type: none"> • Fill vacancies within PMB to ensure that PMB is capacitated to manage the Project⁽¹⁾. Refer to 4. for the proposed organogram.
<i>Accounting software</i>	<ul style="list-style-type: none"> ▪ PMB to customize Respective software accounting software and ensure that new staff are trained how to use Respective software software. ▪ Incorporate correct chart of accounts (categories and components) in line with the detail in Annexure 2 of the Financing agreement with IFAD. ▪ Upload the Cost Table to the accounting software for the purposes of budgeting / monitoring.

▪ ¹ **Develop (in consultation with the Project Coordinator) a performance evaluation process for FM staff within 1 year of project commencement and document process in the PIM. This process should identify skills gaps and assist with identifying appropriate training interventions.**

<i>Open bank accounts</i>	<ul style="list-style-type: none"> ▪ The CA, with the assistance from the MoF, will be responsible for the opening of the Project bank accounts. Refer 8.1 for overview of required bank accounts.
<i>Preparation of first annual work plan and budget</i>	<ul style="list-style-type: none"> ▪ PMB CA will be responsible for the compilation of the first Annual Workplan and Budget, as directed by the Project Director, subject to IFAD no-objection. This budget will be a consolidation of the budgets obtained from PMB and other Implementing partners, following the process as outlined in 6.
<i>Staff training and capacity building</i>	<ul style="list-style-type: none"> ▪ Newly appointed PMB financial Management staff will be required to complete the IFAD FM e-learning and submit completion certificates to IFAD within 1 month of date of appointment. Refer 20 for link to training. ▪ Existing PMB financial management staff will be required to complete the IFAD FM e-learning within 1 month of project start-up (if not yet completed) and submit the completion certificate to IFAD. ▪ All staff are required to study the project related documents at project start-up.

4. IFAD Anticorruption policy

The management of Project funds shall be sufficiently rigorous to safeguard against Fraud and Corruption. Fraud and corruption include, but are not limited to (as defined in the IFAD anticorruption policy):

- Corrupt practice - offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- Fraudulent practice - any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- Collusive practice - an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- Coercive practice - impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

IFAD applies a zero-tolerance policy towards fraudulent, corrupt, collusive or coercive actions in Projects financed through its loans and grants. 'Zero tolerance' means that IFAD will pursue all allegations falling under the scope of this policy and that appropriate sanctions will be applied to parties or entities involved where the allegations are substantiated. IFAD takes all possible actions to protect individuals who submit allegations of fraudulent or corrupt practices in its activities from reprisal. The primary responsibility for enforcing the Anticorruption Policy lies with the CRWIS, and the first defense for controls shall be exercised by Project staff and counterparts Pursuant to this, the CRWIS shall have the responsibility to incorporate pertinent provisions of the Anticorruption Policy in its contracts with Project staff, cooperating/implementing partners, and suppliers/consultants.

It is the Project Director and the Project CA's responsibility to make sure that all Project staff are aware of IFAD's and the National's anticorruption policies and whistle blowing procedures.

CRWIS can contact the IFAD Officer of Audit and Oversight to report events.

[How to contact the IFAD Office of Audit and Oversight](#)

All communications are treated with the utmost CONFIDENTIALITY.

By phone: +39 06 54592888

By fax: +39 06 54597888

By e-mail: anticorruption@ifad.org

Through the online complaint form:

www.ifad.org/governance/anticorruption/how.htm

In person or by mail to:

IFAD Office of Audit and Oversight, Investigation Section

Via Paolo di Dono, 44

00142 Rome, Italy

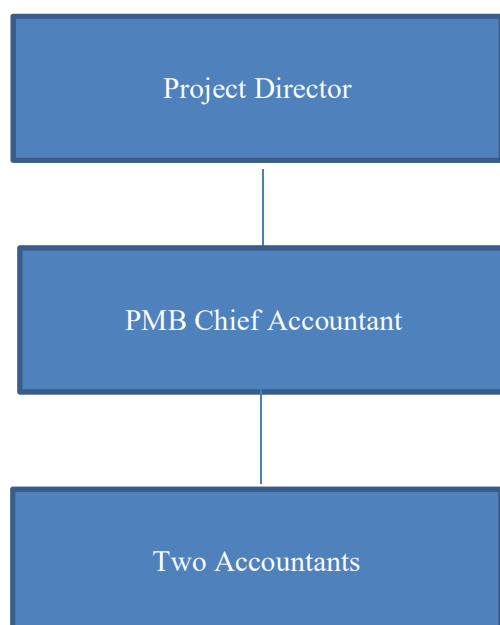
(Mark all mail "Personal and confidential")

Refer to [annexure 20](#) for useful links.

5.FM organizational structure, roles and responsibilities

5.1 Overview of FM organizational structure

PMB finance department is headed by a CA which reports to the Project Director. Within the Finance Department, two Accountants are responsible for managing IFAD project.



5.2 FM staff - key roles and responsibilities

Detailed job descriptions for the CA and two accountants are outlined in annex 21.3 & 21.4

6. Planning and budgeting

Project financing has been approved in line with the following expenditure components and categories which will be an important reference for preparation and monitoring of the AWPB and progress in line with the approved financing agreements:

Components	Expenditure categories
Component 1. Water infrastructures	
Sub-component 1.1. water distribution canals at community level (I and II)	IFAD Works
Sub-component 1.2. water distribution canals at farm level (III and IV)	Gov-t co-financing Works
Sub-component 1.3. flood and erosion prevention	IFAD Works
Component 2. Strengthening climate adaptive capacity	AF grant and government co-financing
Component 3. Project management	AF grant and government co-financing

The PMB CA, with the support of Accountants, will be responsible for preparing a consolidated AWPB with input from the PMB technical team and by obtaining the individual budgets from both PMB and other implementing partners. PMB and the other implementing partners are required to prepare a budget for the components/sub components for which they are responsible. The budget is prepared in Excel using the required format as outlined in [21.1](#). A bottom up approach is required, whereby budgets are compiled from the community level upwards. The CA shall start with the AWPB process with sufficient time to seek IFAD no objection as required as per the financing agreement.

Once the AWPB has been developed and approved, it must be entered into the budget module of the accounting system of the PMB for the purposes of monitoring actual implementation in line with the budget. Each implementing partner should monitor budget to actual expenditure for their individual components/subcomponents at least once a month. PMB should monitor the consolidated budget to actual performance on a quarterly basis with input from PMB and the implementing partners.

The CA needs to ensure that consolidated expenditure per category is in line with the approved totals in the Financing Agreement. If the budget monitoring process indicates and expected over-expenditure on one or more of the cost categories, the Project will have to obtain a no objection from IFAD, allowing a reallocation amongst categories.

For information on how to prepare the AWBP (including the roles and responsibilities of various stakeholders and approval processes) refer to the PIM.

7. Internal controls

7.1 Overview of internal controls

It is recommended that the CA of PMB consider the guidance outlined in [Guidelines for internal controls for Public Sector Entities \(INTOSAI GOV 9100\)](#) when developing/improving the system of internal control (also see *COSO Integrated Framework – Internal Control*).

In terms of the Guidelines for Internal Control Standards for the Public Sector (INTOSAI GOV 9199):

Internal control is an integral process that is effected by an entity’s management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity’s mission, the following general objectives are being achieved:

- ✓ *executing orderly, ethical, economical, efficient and effective operations;*
- ✓ *fulfilling accountability obligations;*
- ✓ *complying with applicable laws and regulations;*
- ✓ *safeguarding resources against loss, misuse and damage.*

Internal control is a dynamic integral process that is continuously adapting to the changes an organisation is facing. Management and personnel at all levels have to be involved in this process to address risks and to provide reasonable assurance of the achievement of the entity’s mission and general objectives.

At project start-up it is recommended that the CA of PMB use the general framework for considering the internal control environment with the intention of improving the existing control environment. In terms of the general framework:

- 1) Perform a risk assessment
- 2) Develop control activities which address identified risks (or improve existing control activities)
- 3) Implement control activities (by documenting controls, updating the information systems, communicating to relevant parties)
- 4) Develop a system for monitoring the effectiveness of controls implemented

Control activities should be developed with consideration of the following categories:

Control activities	Description
Authorisation and approval procedures	Authorisation controls require certification that a transaction or event is acceptable for further processing. The delegated authority of staff should ensure efficient implementation while mitigating related risks. Authorisation levels of Project staff should be in line with their underlying roles. For example, only the Project director may be authorised to approve payments.
Segregation of duties	An important element in any control system is the separation of duties For example, an Accountant might prepare a document, but it would then be reviewed and cleared by the CA, and then approved by the Project Director.

Control activities	Description
	duties are segregated, including authorising, processing, recording and reviewing.
<i>Access to resources and records</i>	All data, records and assets should be kept in a physically secure environment. Petty cash should be kept secure. Financial data and other records should also be protected by back up procedures and copy records should be stored securely off site.
<i>Verifications</i>	Transactions and significant events are verified before and after processing, e.g. when goods are delivered, the number of goods supplied is verified with the number of goods ordered. Afterwards, the number of goods invoiced is verified with the number of goods received.
<i>Reconciliations</i>	Reconciliations between independent, corresponding sources of data are a key control for identifying errors and discrepancies in balances. The reconciliations should be done on a monthly basis. Any reconciling or balancing amounts should be promptly cleared. Unusually long outstanding reconciling items should be investigated. Physical checks should also be performed on assets and petty cash.
<i>Reviews of operating performance</i>	Operating performance is reviewed against a set of standards on a regular basis, assessing effectiveness and efficiency. If performance reviews determine that actual accomplishments do not meet established objectives or standards, the processes and activities established to achieve the objectives should be reviewed to determine if improvements are needed.
<i>Reviews of operations, processes and activities;</i>	Operations, processes and activities should be periodically reviewed to ensure that they are in compliance with current regulations, policies, procedures, or other requirements.
<i>Supervision</i>	Competent supervision helps to ensure that internal control objectives are achieved. This includes assigning, reviewing, and approving an employee's work.
<i>Information and technology related controls</i>	Information and technology controls can be both general and related to applications. The major categories of general controls are (1) entity-wide security program planning and management, (2) access controls, (3) controls on the development, maintenance and change of the application software, (4) system software controls, (5) segregation of duties, and (6) service continuity. Application controls are the structure, policies, and procedures that apply to separate, individual application systems, and are directly related to individual computerized applications. These controls are generally designed to prevent, detect, and correct errors and irregularities as information flows through information systems.

Entities should reach an adequate balance between detective and preventive control activities. Corrective actions are a necessary complement to control activities in order to achieve the objectives.

The Financial Manual incorporates practical guidance on recommended control activities in the sections that follow which can be considered by the CAs of PMB when developing/improving internal controls. **New/improved controls should be documented in detail in the Financial Manual. Controls should be considered at the central offices as applicable.**

7.2 Authorisation and approval

- ✓ Each payment to be uploaded to Respective software software based on an approved payment request
- ✓ Payments released on on-line banking platform by 2 authorised signatories (by using authorized log-in credentials)

7.3 Segregation of duties

- ✓ Payment requests prepared by Accountants
- ✓ Payments reviewed/approved by CA / Project Director
- ✓ Payments recorded in Respective software by Accountant
- ✓ Payments released by authorised signatories (CA/Project Director)

7.4 Access to resources and assets

- ✓ Financial Management Office to be locked after hours and key retained by the CA
- ✓ Other project offices locked after hours are when not in use

7.5 Verifications

- ✓ Semi-annual fixed asset verifications (register to floor and floor to register)
- ✓ Fixed assets are tagged with unique number or barcode

7.6 Reconciliations, reviews, supervision

The following reconciliations, checks, monitoring and review activities should be prepared on a monthly basis (PMB central office level):

Type	Description	Preparer	Reviewer (signed by)
<i>Designated account bank reconciliation</i>	Reconciliation of the bank balance of the designated accounts to the cash book balance. (IFAD format outlined in Appendix 21.9)	Accountants	CA
<i>Transit accounts / interest accounts / tender accounts reconciliations (local currency)</i>	Reconciliation of the bank balance of the transit accounts to the cash book balance.	Accountants	CA
<i>Advance justifications</i>	Clear all outstanding advances within 2 days of each quarter	Accountants	CA

Type	Description	Preparer	Reviewer (signed by)
	(received and record approved expenditure) and follow up on long overdue items for which invoices/supporting documentation has not been received.		
<i>Review of monthly reports From Imp. Prt as per 21.13)</i>	Obtain monthly reports from implementing partners and confirm: <ul style="list-style-type: none"> ✓ Report was approved by Authorized official of IP. ✓ Bank balances agree to bank statement / bank reconciliation ✓ Listed expenses are supported by valid invoices and other supporting documentation (review original documentation) ✓ All advances from PMB are recorded in line with advances recorded in Respective software ✓ Expenses have been incurred in line with the approved AWPB 	Implementing Agency	Accountants
<i>Quarterly and Monthly internal report</i>	Prepare internal reports for the purposes of monitoring project progress and identifying issues. Refer section 13.7 .	Finance team	Project Director

In all instances, issues identified during the review/reconciliation process should be followed up and resolved in a timely manner.

7.6 Information and technology related controls

- ✓ Password is required to log into Respective software
- ✓ Respective software to require password change on a regular basis
- ✓ User rights are defined and documented and linked to log-in credentials
- ✓ Daily back-up of Respective software data on server
- ✓ Sensitive information (e.g. payroll files) are password protected
- ✓ Regular software updates are undertaken to ensure that Respective software version is supported by technical team at Respective software vendor
- ✓ Offsite backup of data on a weekly basis
- ✓ Financial Management staff are not allowed to share Respective software passwords or use login credentials of another
- ✓ Desktop access requires login with a password
- ✓ Operating system software updates are performed regularly
- ✓ Use authorised signatory to have log-in credentials for on-line banking

7.7 Internal control environment – implementing partners

The CAs of PMB will be responsible for the assessment of the internal control environment of implementing partners which report to it. In terms of the MOUs, it will be required that implementing partners perform an annual self- assessment of their financial management arrangements are outlined in 6. It is recommended that the CAs use the information contained in this section to consider the soundness of the internal control environments and provide guidance on improving controls if weaknesses are identified.

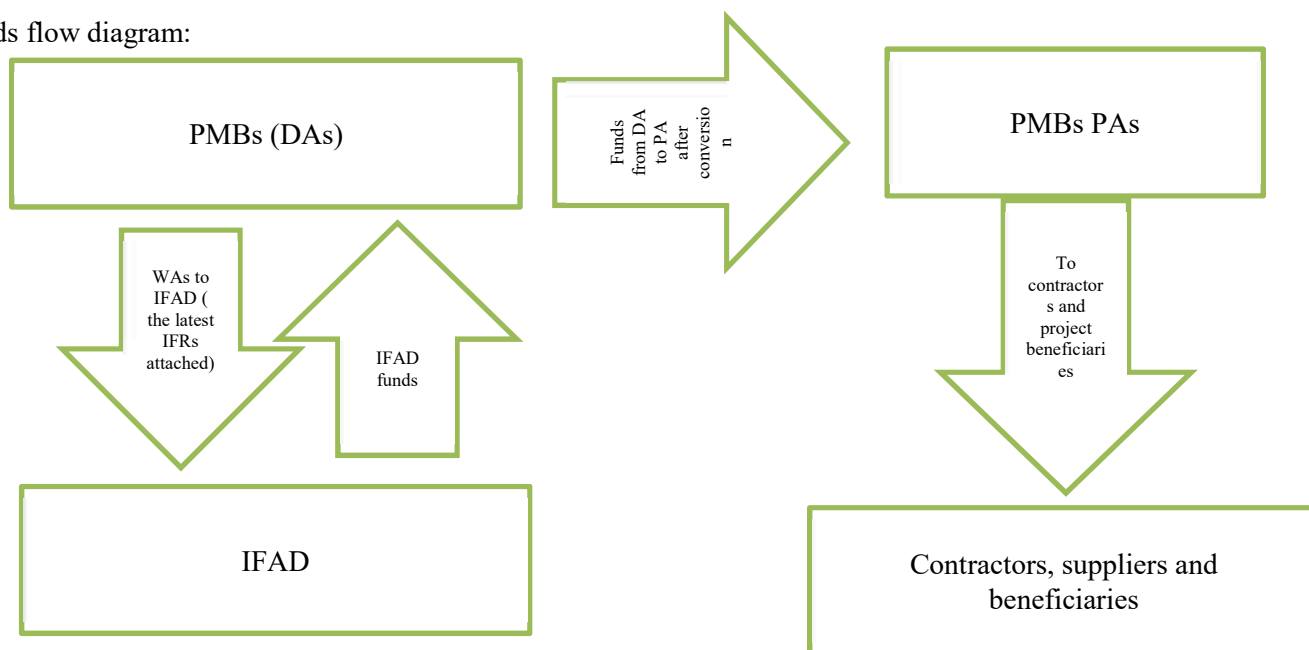
8. Flow of funds

8.1 General flow of funds arrangements:

- ✓ PMBs will use replenishment disbursement method to request funds from IFAD.
- ✓ PMB will have the ability to request funds from IFAD via ICP
- ✓ IFAD funds will be disbursed in USD to designated accounts maintained by PMBs
- ✓ A dedicated tender account will be opened in VND for the purposes of receiving tender related payments (purchase of bids documents)
- ✓ Implementing partners reporting to PMB to submit written requests for funds. Funds advanced to implementing agency bank accounts and recorded as advances until justified.

The flow of funds for PMB is depicted below:

Funds flow diagram:



8.3 Authorised bank signatories

All bank accounts will have 3 authorised signatories. All bank transfers will be required to be released by 2 authorised signatories.

9. Accounting

9.1 Accounting system

Most of the Project activities result in the receipt, commitment or expenditure of funds. The accounting system records, processes and organizes this data in order to produce useful financial information in the form of AWPB, Financial Reports, Withdrawal Applications, Financial Statements etc. needed by the financier and project management. The accounting system should reflect the Project's needs and be designed to provide the financial information required by all interested parties. It should also fulfil all the legal and regulatory requirements of CRWIS. In addition, the accounting system should incorporate the reporting requirement of the chosen accounting standard for CRWIS which is Vietnam National Accounting Standards.

9.2 Centralised accounting at PMB

The accounting function will be centralised at PMB and maintained under the supervision of the CA.

PMB will consolidate the accounting transactions from the various Implementing partners on a monthly basis by receiving each agency's transactions (in monthly report format) as outlined in [21.13](#). PMB will record the transactions on a manual basis in the Respective accounting software and clear related advances.

(NB: In case of Advances to Implementing partners, they must be recorded in Respective software (indicating the relevant implementing agency only). Only once advances are cleared, expenses are recorded at the historical exchange rate / within the correct component and expenses category).

PMB will centrally manage the accounting of transactions.

9.3 Accounting software (BICTIME for Thanh Hoa and SMARTBOOK for Nghe An)

Respective accounting software will be used for CRWIS. PMB will customize it for the needs of CRWIS. At project start-up the CA should identify required customization to ensure that Respective software can generate forms/reports in the formats required by IFAD and/or other financiers.

9.4 Chart of accounts

The accounting software should include the appropriate Chart of Accounts. The Chart of Accounts should be developed to cater for:

- All components and sub-components are incorporated in the AWPB (outlined in the financing agreement).
- All categories as outlined in the financing agreements.
- Sources of finance (Government, IFAD, Beneficiaries, Convergence etc.)

The Chart of Accounts should mirror the cost tables (as presented in the Project design report) to enable comparison of actual Project costs during implementation with those estimated during the Project preparation.

9.5 Recording and processing of transactions

Whenever a transaction takes place under the Project, it should be recorded and processed using the accounting software. Transactions must be recorded in accordance with the VNASSs.

Each transaction should be recorded in the accounting software based on the following:

- Use double entry accounting (debit and credit).
- Capture the transaction using the correct account code (as determined by the chart of accounts) – for all transaction, to be confirmed the CA.
- Capture transactions which has the required supporting documentation.
- Capture information accurately and completely.

For detailed instructions on how to record the expenditures in the accounting software, please refer to the accounting user manual.

9.7 Accounting for in-kind contributions

In terms of the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects, CRWIS is required to account for and disclose in-kind contributions. In order to meet this requirement, the Project is required to measure contributions as outlined below and record in the accounting system.

It is expected that the following in-kind contributions will be received by CRWIS as outlined in the PIM.

From Beneficiaries:

- PMB to provide more details on the nature of the contribution

The following process is followed to account for in-kind contributions received from Community Groups/beneficiaries: (to be identified by PMB based on nature of the in-kind contribution provided)

Measure	XXXX
Review	XXXX
Approve	XXXX
Record	XXXX

Type	Measurement calculation	Supporting documentation to be retained
<i>Labour hours</i>	Value = total hours worked X applicable wage rate (in most cases the applicable minimum wage rate for uneducated labour in the country)	Copies of acts of work completed.
<i>Maintenance costs</i>	Value = actual cost of materials purchased	Copies of invoices.
<i>Construction material – gravel</i>	Value = cubic meters of gravel	Bill of lading prepared by the consulting engineer which indicated the estimation of gravel volume. The sheet should be duly signed by the community representative and Project technical/M&E staff
<i>Construction material – other</i>	Value = actual cost of materials purchased	Copies of invoices.

When recording the in-kind contributions, it is important that the in-kind contributions are classified according to the same principles as regular Project expenditures; that is, every contribution must be linked to an activity/component, by category and by financing source (government and/or beneficiaries) to ensure that consolidated financial reports can be produced without any extra effort.

In-kind contributions should be disclosed separately in the financial statements. The notes of the financial statements should also briefly explain the methodology of how it was calculated. On the other hand, when in-kind contributions cannot be reliably measured, for example the use of office space, then these should also be discussed in the notes to the Project financial statements.

NB: Government will pay for project related taxes. This is not considered in-kind unless Government provides and exemption instead of transferring the tax portion to the CRWIS.

9.9 Accounting for exchange rate matters

Expenditures should be recorded on the First in First Out basis when applicable.

9.10 Accounting for advances

The Project may make advances (travel related, advances to implementing partners etc.) in the form of bank transfer.

In terms of accounting for advances:

- Advances are recorded in the accounting system at the date that the advance is made, subject to the required approval process.
- The transaction is not recorded as an expenditure (in terms of categories, components) on this date.
- All advances should be cleared in a timely manner by the submission of original invoices.
- All outstanding advances should be cleared by no later than 10 days after the end of the fiscal year-end.

10. Cash flow forecasting

The PMB will prepare cash flow forecasts when needed. IFRs will require cash flow forecasting for the next two quarters. CA will be responsible for cash flow forecasting.

11. Disbursements

11.1 Eligibility of expenditures

In accordance with the IFAD disbursement procedures, between the date of entry into force of the Financing Agreement and the Financing Closing Date, CRWIS may request withdrawals from the IFAD Loan for eligible expenditures.

Eligible expenditures are defined in the IFAD General Conditions Section 4.08 as follows:

The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:

- *The expenditure shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines.*
- *The expenditure shall be incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project may be incurred after the Project Completion Date and before the Financing Closing Date.*
- *The expenditure shall be incurred by a Project Party.*
- *If the Agreement allocates the amount of the Financing to categories of Eligible Expenditures and specifies the percentages of such Eligible Expenditures to be financed by the Financing, the expenditure must relate to a category whose allocation has not been depleted and shall be eligible only up to the percentage applicable to such category.*
- *The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.*
- *The Fund may from time to time exclude certain types of expenditure from eligibility.*

- *Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, shall not be eligible for financing by the Financing.*
- *Any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing by the Financing.*
- *All expenditures must be supported by sufficient supporting documentation as stated in the FMFCL and the IFAD disbursement handbook (please see section below on supporting documentation).*
- *The proceeds of the financing shall not be used to pay taxes. However, taxes paid by the ultimate recipient of an expenditure (e.g. withholding tax, income taxes paid by a Project employee or taxes on the profits of a contractor) are not considered to be taxes paid by the Project.*

The IFAD disbursement procedures as outlined below are governed by the FMFCL and the IFAD Loan Disbursement Handbook. The handbook is also available on the IFAD website and CRWIS should ensure that they refer to the most recent version as published at the website.

11.2 Disbursement procedures

The following disbursement procedures may be used for withdrawal from the IFAD Loan:

Type	Description
<i>Advance withdrawal</i>	<p>The advance withdrawal modality for CRWIS is based on revolving fund modality for which:</p> <ul style="list-style-type: none"> ▪ The first advance withdrawal cannot exceed the period of six months' forecast amount of IFAD financed expenditure approved in the Annual Work Plan and Budget (AWPB) for the six months planned activities. ▪ Further advances to the Designated Account will be made for the next reporting period based on the AWPB, the most recent IFRs and other supporting documents.
<i>Reimbursement</i>	Reimbursement is applicable when eligible Project expenditures are pre-financed by the Borrower.

11.3 Evidence of Authority to sign Withdrawal Applications

IFAD requires CRWIS representative, as designated in the financing agreement, to furnish satisfactory evidence of the authority and authenticated specimen signatures of the individuals who will sign WAs on behalf of CRWIS. This evidence must reach IFAD before the first WA is presented by CRWIS and should be the original (photocopies, facsimiles or other means of transmission are not acceptable). A sample template is provided in FMFCL. Each WA should be signed by such duly authorized individuals, and the Fund must be notified of any change in the signatories authorized to withdraw funds from the loan account.

IFAD must also be notified of the designated signatories for operating any designated and/or Project or other accounts, including changes thereto, whether or not these authorized signatories are included in the financing agreement. Such changes, as effected during the life of the Project, must be communicated promptly to the IFAD. CRWIS, guided by FMFCL, should provide the names and specimen signatures of the newly appointed signatories and include the date when such change is to take effect. The original of such changed documentary evidence is to be provided to IFAD.

11.4 The Designated Account

The flow of funds for CRWIS starts with the opening of the Project Designated Accounts (DAs) in Vietnam, in accordance with IFAD’s requirements identified in the Financing Agreement and FMFCL. The PMB is responsible for opening and managing the Designated Account.

11.5 Withdrawal of Financing Proceeds using withdrawal applications

The CA is required to ensure that WAs are prepared and submitted to IFAD with consideration of the following requirements:

Requirement	Guidance
<i>Timeliness</i>	Under the replenishment method, withdrawal applications should be prepared and submitted after each quarter end. WA must be sent within 45 days from the end of each quarter.
<i>Completeness and accuracy of supporting documentation</i>	Prepare and submit the required Interim Financial Reports (IFRs) package as requested in the FMACCOUNTANTL, refer to 21.14 . Prepare and submit to IFAD expenditures supporting documents upon request. Ensure that information is complete and accurate.
<i>Account reconciliation</i>	CRWIS should submit Funds reconciliation statement as per IFRs formats for all these accounts correspond to the balances at the end of the same reporting period as indicated in the WA period.

Requirement	Guidance
<i>Duly authorised</i>	Ensure that WAs are duly authorised in terms of CRWIS authorisation procedures and signed by the duly authorised representatives.
<i>Document retention</i>	Submit copies of supporting documentation upon request. Retain original documentation for inspection by IFAD upon request.

11.6 Initial advance

Ensure the disbursement conditions as per the financing agreement and the FMFCL have been met which includes provision of the following:

- Evidence that a designated account has been opened and the names/titles of the persons authorised to operate this account.
- A letter from the Borrower, designating the name(s) of official(s) authorised to sign withdrawal applications including their specimen signature(s).

Complete and submit to IFAD:

- The duly filled forms constituting the project's IFRs, as outlined in the FMACCOUNTANT(refer to [21.14](#)); the main reports to be included in the package:
 1. AWPB and Cash forecast for the next two quarters
 2. Sources and Uses of Funds
 3. DA Activity Statement
 4. Variance Analysis

11.11 ICP



The IFAD client portal (ICP) enables PMB to:

- access real-time financing information on country portfolios as well as operational and financial information related to Projects
- submit Withdrawal Applications directly and obtain electronic approvals required both from concerned ministries and IFAD
- manage banking instructions electronically
- create and download relevant reports
- Contract Monitoring Tool (CMT) Module

The Project may submit electronic copies of its withdrawal applications and maintain hardcopies for audit purposes.

11.12 Refund of withdrawals

If the IFAD determines that any amount withdrawn from the Loan Account was not used for the purposes indicated or will not be needed thereafter to finance Eligible Expenditures, the Borrower shall promptly refund such amount to the IFAD upon instruction by the Fund.

12. Processing of payments

IFAD funds may not be used for payment of taxes, customs or duties unless otherwise agreed.

Procedures for payments is outlined as follows:

1. General payments (12.2)
2. International travel (12.4.1)
3. Local travel (12.4.2)
4. Civil works, equipment (12.5)
5. Consulting services (12.6)
6. Funds transfers to Implementing partners (12.7)
7. Other

12.1 Supporting documentation

The processing of all payments are subject to CRWIS retaining the following original supporting documentation after processing:

Expenditure type	
All	<ul style="list-style-type: none"> ▪ Signed contract or confirmed purchase order – showing the specific amount that is due to be paid ▪ The bank guarantee for: <ul style="list-style-type: none"> ○ advance payment, as specified in the contract documents; ○ performance, as specified in the contract documents; ▪ Copies of communications sent by the IFAD country Project manager to the CRWIS providing the 'no objection' to the contract award; and ▪ Evidence of payment made by CRWIS.
<i>Goods</i>	<ul style="list-style-type: none"> ▪ Items listed above under "all" ▪ Supplier's invoice, duly certified for payment by the Project Director– specifying the goods, their quantities, and prices; ▪ Bills of lading or similar documents; and <ul style="list-style-type: none"> ▪ As appropriate, the certificate of delivery (to include condition of goods on delivery).
<i>Civils works</i>	<ul style="list-style-type: none"> ▪ Items listed above under "all" ▪ The claim of the contractor, including a financial progress report, stating the work performed and the amount due; ▪ A certificate – signed by the Project consultants or owner's representative, if any, or by the borrower's chief engineering officer or resident supervising engineer assigned to the Project, to the effect that the work performed is satisfactory and the payment claimed is due in accordance with the terms of the contract; and

Expenditure type	Supporting documentation
	<ul style="list-style-type: none"> ▪ A copy of the contract payment monitoring form signed in original by the certifying officer.
<i>Services (including consultants)</i>	<ul style="list-style-type: none"> ▪ Items listed above under "all" ▪ The supplier's or consultant's claim duly certified for payment by the Project director and showing sufficient detail. ▪ As appropriate, a certificate of delivery of satisfactory services.
<i>For payment of Trips, fuel, stationary and other expenses</i>	<ul style="list-style-type: none"> ▪ Items listed above under "all" ▪ Supplier invoices; ▪ Evidence of payment; ▪ Back to office report; ▪ Training certificate, ▪ Travel authorization; and/or ▪ Expense reports by the traveller (including invoices) ▪ Boarding passes

Pro forma invoices are not acceptable replacements for invoices. In all instances, supporting documentation need to include final invoices.

12.2 General guidelines for processing of payments

For invoice related payments, the following general process is applicable:

Activity	Procedures
<i>Request and approve activity in line with AWPB</i>	Generally, ensure that expenses are in line with the AWPB/Procurement Plan and that IFAD no objection has been obtained if required.
<i>Service delivered, or goods received</i>	Obtain evidence that the goods were delivered / services received to the satisfaction of the Project. Evidence to be retained for the purposes of providing supporting evidence for processing of invoice. (delivery notes, completion reports etc.)
<i>Prepare payment request</i>	<ul style="list-style-type: none"> ▪ Once invoices are received, Accountant prepares a payment request which includes supporting documentation and indicates accounting codes, category of payment, component of payment and source of finance. ▪ The CA reviews the payment request for accuracy and validity. ▪ The CA adds the correct account codes for the purposes of recording the transaction in the accounting software. ▪ Accountant forwards the payment request with supporting documentation to the relevant Technical Officer /Component Head for review and sign off.
<i>Review of payment request</i>	<p>The Project Director shall review and sign the payment request, checking/confirming:</p> <ul style="list-style-type: none"> ▪ The expenditure is included in the approved AWPB ▪ IFAD no objection was obtained (if applicable).

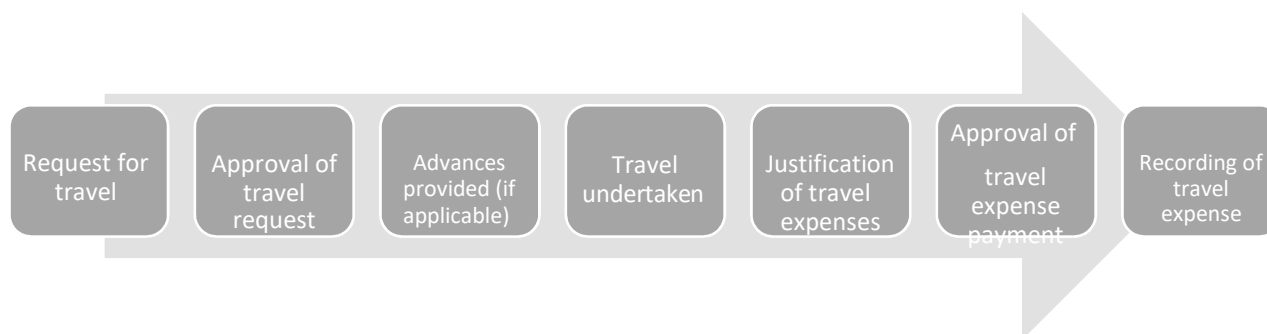
Activity	Procedures
	<ul style="list-style-type: none"> All expenditures are eligible in line with the financing agreement and has been incurred before/completed before Project completion date. Payment was cleared by the relevant component technical officer/head. All supporting documentation is attached (refer 12.1)
<i>Approve payment request</i>	<p>The Project director shall review and sign payment request, checking/confirming:</p> <ul style="list-style-type: none"> The expenditure is included in the approved AWPB All expenditures are eligible in line with the financing agreement and has been incurred before/completed before Project completion date Payment was cleared by the relevant component technical officer/head. All supporting documentation is attached (refer 12.1) The payment request was reviewed and approved by the CA.
<i>Process payment</i>	<ul style="list-style-type: none"> The approved payment request with related documents shall be sent to Accountant for processing and uploading on the online banking platform. Accountant shall confirm that the bank details provided by the supplier corresponds to the signed legal agreement / original bank letter provided. Once loaded on the banking platform, the payment to be released by 2 authorised signatories (using unique digital signatures) <p><u>(NB: Cheques are not used for general payments)</u></p>
<i>Record payment</i>	<ul style="list-style-type: none"> Accountant records the transaction in the accounting software, using the correct codes as captured on the payment request. File supporting documentation, include proof of payment (bank statement/bank confirmation of payment)

12.4 Travel related payments

The following type of travel may take place by Project staff or Project beneficiaries:

- International travel – 12.4.1
- Local travel – 12.4.2

All types of travel payments follow the general process:



The processes for each type of travel is outlined

below: 12.4.1 International travel

International travel	
<i>Type of travel</i>	<ul style="list-style-type: none"> ▪ Training which is conducted for Project staff or beneficiaries at an international location. ▪ Business trips
<i>Overview of entitlement</i>	<ul style="list-style-type: none"> ▪ Individuals are entitled to DSA, paid based on the number of days of travel for training purposes. ▪ The per diem should be used to pay for the cost of accommodation, meals and travel as per government regulations. ▪ Taxi trips to/from airport and visa is paid for separately based on actual cost estimates. ▪ Unused per diem is not returned to the Project. ▪ The per diem amount is determined in line Government decree. ▪ The per diem is reduced in the event that meals or accommodations is provided to the individual. ▪ 100% of the DSA is advanced before commencement of the travel. ▪ The number of travel days are calculated from date of departure from home until last day of the training. ▪ Air travel is booked by the project and paid for by the Project directly.
<i>Request for travel</i>	<p>The relevant department will prepare a request for travel which includes:</p> <ul style="list-style-type: none"> ▪ List of individuals to attend external training ▪ Dates of training ▪ Invitation to training / training registration confirmation ▪ Overview of training (agenda, location noted) – brochure / email correspondence or other suitable evidence ▪ Related AWPB classification (category, component) ▪ Calculation of total per diem due (100%) ▪ Estimated cost of air travel ▪ Estimated cost of visas <p><i>(Air travel is paid directly by the Project)</i></p>
<i>Approval of travel request</i>	<ul style="list-style-type: none"> ▪ The travel request is reviewed by Accountant for: <ul style="list-style-type: none"> ○ Accuracy and compliance with the Government decree in terms of the per diem rate applied. ○ Alignment with the approved ABPB ▪ The travel request is submitted to the Project Director for approval. ▪ IFAD no-objection should be obtained for travel request after approval by the Project Director.
<i>Advance provide</i>	<ul style="list-style-type: none"> ▪ Upon approval of the travel request by the Project Director, the Project Accountant will advance 100% of the total per diem to individuals or the team leader as appropriate. (prepare cheque for signing by the Project Director) ▪ Accountant will record the advance in the accounting system, indicating the amount, date of advance, to who advanced and related budget line item. (advance is not recorded as an expense at this stage)

International travel	
<i>Justification of travel expenses</i>	<ul style="list-style-type: none"> ▪ Within 10 business days after the travel, the team leader / individual is required to prepare a travel expense report which includes: <ul style="list-style-type: none"> ○ Advance report (refer 21.8) ○ Boarding passes for air travel ○ Attendance register completed at the training event ○ Back to the office report ○ Confirmation of IFAD/Ministry no objection (email correspondence) ▪ The travel expense claim is submitted to Accountant who confirms the accuracy and validity of the travel expense claim. ▪ The CA reviews the travel expense claim for accuracy and validity and captures the correct account codes on the request (in line with AWPB line items). (sign as evidence of review)
<i>Approval of travel payment</i>	<ul style="list-style-type: none"> ▪ The travel expense is approved by the Project Director by way of signing the travel expense report.
<i>Recording of expense</i>	<ul style="list-style-type: none"> ▪ The total travel expense is recorded as training expenditure/business trip, by clearing the travel advance, in terms of the correct category and component, in line with the account codes which are captured on the travel expense report.

In all instances, unjustified travel advances will need to be reimbursed to the Project by the traveller within three months after the travel date or the amount will be deducted from the payroll.

12.4.2 Local travel

Local travel	
<i>Type</i>	Training / field visits
<i>Overview of entitlement</i>	<ul style="list-style-type: none"> ▪ The number of travel days used for the calculation of per diem is calculated from date of departure from home until last day of the training. ▪ If Project vehicles are used, the driver is responsible for ensuring the vehicle is refueled in terms of the process outlined in 12.9 ▪ If private vehicles are used, staff are reimbursed in line with the allowable rate per kilometre as specified in the staff by laws, based on actual distance travelled.
<i>Request for travel</i>	<p>The relevant department will prepare a request for travel which includes:</p> <p>Training:</p> <ul style="list-style-type: none"> ▪ List of individuals to attend training ▪ Dates of training ▪ Overview of training (agenda, location noted) – brochure / email correspondence or other suitable evidence ▪ Related AWPB classification (category, component)

Local travel	
	<ul style="list-style-type: none"> ▪ Confirmation from the Officer Manager that a Project vehicle(s) is available for the travel dates should this be the mode of transportation ▪ Calculation of per diem in line with Government decree. <p>Field visits:</p> <ul style="list-style-type: none"> ▪ Request for field trip from technical department
<i>Approval of travel request</i>	<ul style="list-style-type: none"> ▪ The travel request is reviewed by Accountant for: <ul style="list-style-type: none"> ○ Accuracy and compliance with the staff bylaws in terms of the pocket money allowance / estimation for fuel costs ○ Alignment with the approved ABPB ▪ The travel request is submitted to the Project Director for approval. ▪ Once approved, the team leader or individual should submit a request for vehicle use.
<i>Advance provide</i>	<ul style="list-style-type: none"> ▪ No fuel advances are provided in cash (driver will use fuel card to refuel) ▪ Applicable per diem is advanced in cash.
<i>Justification of travel expenses / return of unused fuel advance</i>	<ul style="list-style-type: none"> ▪ Within 5 business days after the travel, the team leader / individual is required to prepare a travel expense report which includes: <ul style="list-style-type: none"> ○ Attendance register completed at the training event ○ If a private vehicle was used, indication of total distance travelled in kilometres with payment due to vehicle owner, based on the approved rate in the bylaws. ○ If a Project vehicle was used, invoiced for fuel which was paid from fuel advance. ○ Back to the office report (in case of field visits) ▪ The travel expense claim is submitted to Accountant with the fuel advance which was not used. ▪ Accountant confirms the accuracy and validity of the travel expense claim and determines the per diem which is due. ▪ The Project Accountant reviews the travel expense claim for accuracy and validity and captures the correct account codes on the request (in line with AWPB line items). (sign as evidence of review)
<i>Approval of travel payment</i>	<ul style="list-style-type: none"> ▪ The travel expense is approved by the Project Director by way of signing the travel expense report.
<i>Recording of expense</i>	<ul style="list-style-type: none"> ▪ The total travel expense is recorded as expenditure in terms of the correct category and component, in line with the account codes which are captured on the travel expense report. (advance cleared at this stage) ▪ Only fuel expenses may be charged to the training budget code. If other vehicle maintenance was incurred, this expense is recorded as maintenance.

12.5 Civil works, equipment and tools

Activity	Procedures
<i>Request and approve</i>	<ul style="list-style-type: none"> ▪ Civils works, equipment and tools are defined and outlined in both the AWPB and the Procurement Plan.

Activity	Procedures
<i>activity in line with AWPB</i>	<ul style="list-style-type: none"> ▪ Civil works, equipment and tools is contracted via a procurement process as outlined in the Project Implementation Manual. ▪ IFAD no objection is required on the bidding document, recommendation of award and contract outline before the final bid award is made. (refer to Letter to the Borrower)
<i>Prepare payment request</i>	<ul style="list-style-type: none"> ▪ The procurement officer will request payment of invoices, subject to providing the following supporting documentation: <ul style="list-style-type: none"> - Copy of civils contract with award letter (for civils only) - Contract amendment letter (if applicable) - Bid analysis and evaluation report - Evidence of IFAD no objection related to the contract award - Purchase order / Invoice - Progress report prepared by consulting engineer ▪ Accountant prepares a payment request which includes the supporting documentation. ▪ Accountant reviews the payment request for accuracy and validity. ▪ The CA adds the correct account codes for the purposes of recording the transaction in the accounting software. ▪ Accountant forwards the payment request with supporting documentation to the relevant Technical Officer /Component Head for review and sign off.
<i>Review and approval of payment request</i>	<p>The CA reviews and signs the payment request before submission to the Project Director. The Project Director shall review and sign the payment request, checking/confirming:</p> <ul style="list-style-type: none"> ▪ The expenditure is included in the approved AWPB ▪ IFAD no objection was obtained related to procurement as applicable ▪ All expenditures are eligible in line with the financing agreement and has been incurred before/completed before Project completion date. ▪ Payment was cleared by the relevant component technical officer/head. ▪ All supporting documentation is attached (refer 12.1). ▪ <u>Where stipulated in the contract, the required bank guarantees are valid and is retained in the project's safe.</u>
<i>Process payment</i>	<ul style="list-style-type: none"> ▪ The approved payment request with related documents shall be sent to Accountant for processing and uploading on the online banking platform. ▪ Accountant shall confirm that the bank details provided by the supplier corresponds to the signed legal agreement / original bank letter provided. ▪ Once loaded on the banking platform, the payment to be released by 2 authorised signatories (using unique digital signatures) <p><u>(NB: Cheques are not used for these payments)</u></p>
<i>Record payment</i>	<ul style="list-style-type: none"> ▪ Accountant records the transaction in the accounting software, using the correct codes as captured on the payment request. ▪ File supporting documentation, include proof of payment (bank statement/bank confirmation of payment)

12.6 Payments for consultant services

Activity	Procedures
<i>Request and approve activity in line with AWPB</i>	<ul style="list-style-type: none"> ▪ The process for requesting and approving consultants is outlined in the procurement section of the PIM and is dependent on whether the service is recruited internationally, nationally, locally or on a single source basis. ▪ In all instances the procurement of consulting services is subject to IFAD’s no objection.
<i>Prepare payment request</i>	<ul style="list-style-type: none"> ▪ The procurement officer will request payment of consulting services subject to providing the following supporting documentation: <ul style="list-style-type: none"> - Copy of consulting contract and invoice requesting payment (invoice to specify bank details in line with contract) - Copy of output (report / study etc) - Copy of timesheets (if time-based payment is required) - Written recommendation for payment from the relevant technical department which confirms that the consultant(s) have delivered the key outputs as specified in the consulting contract. - Confirmation of IFAD no objection. ▪ Accountant prepares a payment request which includes the supporting documentation. ▪ Accountant reviews the payment request for accuracy and validity. ▪ The CA adds the correct account codes for the purposes of recording the transaction in the accounting software. ▪ Accountant forwards the payment request with supporting documentation to the relevant Technical Officer /Component Head for review and sign off.
<i>Review and approval of payment request</i>	<p>The CA reviews and signs the payment request before submission to the Project Director. The Project Director shall review and sign the payment request, checking/confirming:</p> <ul style="list-style-type: none"> ▪ The expenditure is included in the approved AWPB ▪ IFAD no objection was obtained related to procurement as applicable ▪ All expenditures are eligible in line with the financing agreement and has been incurred before/completed before Project completion date. ▪ Payment was cleared by the relevant component technical officer/head. ▪ All supporting documentation is attached (refer 12.1).

Activity	Procedures
<i>Process payment</i>	<ul style="list-style-type: none"> ▪ The approved payment request with related documents shall be sent to Accountant for processing and uploading on the online banking platform. ▪ Accountant shall confirm that the bank details provided by the supplier corresponds to the signed legal agreement / original bank letter provided. ▪ Once loaded on the banking platform, the payment to be released by 2 authorised signatories (using unique digital signatures) ▪ <u>(NB: Cheques are not used for these payments)</u>
<i>Record payment</i>	<ul style="list-style-type: none"> ▪ ACCOUNTANT records the transaction in the accounting software, using the correct codes as captured on the payment request. ▪ File supporting documentation, include proof of payment (bank statement/bank confirmation of payment)

12.7 Advances to Implementing partners

Implementing partners will request funds from PMB for the purposes of implementing activities. However, advances will need PD approval before processing.

12.8 Petty cash payments and replenishments

No cash is planned to be used in the project implementation.

12.9 Payments for fuel

Vehicles may be refueled at the local preferred fuel station, based on approved purchase orders issued to drivers by the Project ACCOUNTANT. Drivers use payment cards to pay for fuel.

Each month drivers submit fuel usage report and it is approved by Office Manager.

13. Financial Reporting

The section on financial reporting deals with:

- Financial reports for submission to IFAD and other financiers
- IAs reporting to PMB
- Internal reporting within each IA

13.1 Financial reports for submission to IFAD and other financiers

PMB is responsible for submitting consolidated financial reports to IFAD. *The applicable financial reporting requirements applicable to IFAD-financed Projects are outlined in the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects* which may be updated from time to time. The CA should ensure adherence to the latest version of the Handbook.

PMB is required to prepare financial reports and submit to IFAD as outlined in the table below:

Type	Period / Frequency of submission
<i>Annual Financial Statements</i>	<ul style="list-style-type: none"> ▪ <u>Unaudited</u>: Prepare annual reports and submit to IFAD within 4 months of the end of the financial year-end. ▪ <u>Audited</u>: Submit audited financial statements within 6 months of the end of the financial reporting period. <p>The reports should be prepared in line with requirements outlined in 13.4. The annual financial statement should be signed by the Project Director for authorisation before submission to the auditor/IFAD.</p>
<i>Interim financial reports</i>	<p>Prepare quarterly reports and submit to IFAD within 45 days of the end of the quarter. The reports should be prepared in line with requirements as outlined in the FMFCL</p>

13.2 Financial reporting requirements

PMB is required to prepare financial reports in line with VNASs. Should CRWIS propose to use a different accounting standard, this should be agreed with IFAD. In all instances, IFAD requires Projects to use internationally accepted accounting standard.

13.3 General principles for the preparation of financial reports

CRWIS shall prepare financial reports with consideration of the following specific principles:

Principal	Guidance
<i>Completeness</i>	<ul style="list-style-type: none"> ▪ The financial reports shall be complete and include the activities of both PMB and other Implementing partners and present the results of a single entity. ▪ The sources and uses of all categories/components shall be included (including sources received in-kind). ▪ In the sources and uses form, all financiers shall be included, including: <ul style="list-style-type: none"> ○ IFAD Loan ○ Government Contributions ○ Beneficiary Contributions ○ In-kind contribution from
<i>Accuracy</i>	<ul style="list-style-type: none"> ▪ Ensure that the various disclosures as outlined in 13.4 are reconcilable as appropriate
<i>Accountability</i>	<ul style="list-style-type: none"> ▪ The financial reports should promote the concept of accountability.

13.4 Minimum prescribed content for interim and annual financial reports

PMB is required to prepare financial reports (annual and interim) which includes the following minimum prescribed content (an illustrative interim financial reports is outlined in FMFCL.)

The IFRs package and documents mainly include, refer to [21.14](#):

- The duly filled forms constituting the project’s IFRs, as outlined in the FMFCL. The main reports to be included in the package:
 - A. Cash Flow Forecast
 - B. Sources and Uses of Funds Statement
 - C. DA Activity Statement
 - D. Variance Analysis
 - E. Necessary Treasury Statements of transfers of funds to the Project Account.

For the annual financial statements, the project is required to prepare the following statements:

Content	Source of requirement	Guidance on preparation of content
<i>Statement of Cash Receipts and Payments</i>	VNASs	<ul style="list-style-type: none"> ▪ Disclose cash receipts using an appropriate classification system (Contributions from external financiers, Contributions from Government, Contributions from Beneficiaries, Cash generated from Project activities) ▪ Disclose cash payments in line with the categories outlined in Schedule 2 of the IFAD financing agreement
<i>Budget to Actual Comparison</i>	VNASs	<ul style="list-style-type: none"> ▪ Ensure that the Budget period corresponds to the Financial Reporting Period ▪ Derive the budget disclosure from the approved AWPB. Disclose both the original and final approved AWPB. ▪ Calculate the variance between budgeted and actual results for both receipts (sources) and uses (payments) ▪ Provide narrative on the reason for the variances observed.
<i>Accounting policies and explanatory notes</i>	VNASs	<ul style="list-style-type: none"> ▪ Develop accounting policies with reference to the guidance provided in VNASs ▪ Disclose the authorisation date ▪ Disclose the basis of presentation ▪ Disclose the presentation currency as VND
<i>Sources and Uses of Funds Statement</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> ▪ Include both cash and in-kind contributions in the Sources of Funds ▪ Provide disclosure on uses of funds by financier/by category and financier/component

Content	Source of requirement	Guidance on preparation of content
<i>Funds account reconciliation</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> ▪ Prepare reconciliation which provides spent amount and reimbursed by IFAD, the difference being to be reimbursed. ▪ Explain variances. ▪ The IFAD Loan Disbursement Handbook provides detailed guidance on the preparation of the reconciliation.
<i>Summary of Withdrawal Applications</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> ▪ Provide a summary for CRWIS ▪ Ensure that summary information is reconcilable with the IFAD historical transaction statement (to be requested from the IFAD Finance Officer) with regards to the value date of the transaction amount of withdrawal in loan denomination currency. ▪ Cross reference amounts included here per WA to amounts included in the Funds Reconciliation.
<i>Fixed asset register</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> ▪ Include a fixed asset register which lists all Project assets (<i>including those purchased on behalf of the Community Groups if the Project retains the title and the assets will be returned to the Project at Project closure</i>). ▪ Indicate the implementing agency which procured the asset and related component. ▪ Ensure that all fields are included – refer illustration included in 21.9.

In addition to the above disclosures, the Project is required to maintain an Action Tracker log which is a log of agreed actions. This document should be maintained on an ongoing basis provide together with the financial report (interim or annual). The Action Tracker format is outlined in [21.9](#). It is required that the Action Tracker include actions which have been agreed on with IFAD during missions or the Auditor during the audit (derived from the management letter). The purpose of the Action Tracker is to keep track of progress regarding agreed on actions.

13.5 Other considerations

The following specific issues should be considered in the preparation of the financial reports:

- Accrual related information should be disclosure in the notes of the financial statements. This includes outstanding advances, which, in terms of the cash basis of accounting, should be expensed when provided. This entails that the advance will be recorded in the relevant categories /components at year-end. *(NB: Best practice is that zero advances are outstanding at the end of the fiscal year).*
- In-kind contributions from Beneficiaries should be reported in the financial statements in line with the process as outlined in section 9.7. Also refer to 21.9 to see the illustrative accounting policy and explanatory notes.
- Where applicable, disclose information for PMB separately and on a consolidated manner. In all instances the user of the financial statements should be able to identify if the information relates to activities of PMB.

13.6 IPs reporting to PMB

All Implementing partners which report to PMB are required to submit quarterly reports to the PMB. The PMB will review the reports and verify bank balances/expenses with reference to supporting documentation attached to the report. PMB will proceed to record individual transactions in Respective software and clear related advances. The IPs are required to submit quarterly reports using the report format as outlined in 21.13.

IPs is responsible for the accuracy and completeness of reports submitted to PMB and will be required to respond to queries on report content in a timely manner.

13.7 Internal reporting

The following internal reports will be prepared by PMB for the purposes of internal monitoring of project finances and progress:

Type	Period / Frequency of submission
<i>Quarterly project reports</i>	<p>The PMB CAs to prepare a quarterly project report which includes (but not limited to):</p> <ul style="list-style-type: none"> ▪ Consolidated budget to actual expenditure comparison with variance explanation. ▪ Individual budget to actual expenditure report per implementing agency with variance explanation. <p>This report to assist the PMB project director to monitor overall and implementing agency level performance for the purposes of taking corrective action if needed.</p>
<i>Quarterly management accounts</i>	<p>It is required that each implementing partner prepare quarterly management accounts for the purposes of monitoring allocated components/sub-components. The content may include (but not limited to):</p> <ul style="list-style-type: none"> ▪ A financial progress report (sources and uses) ▪ Monthly bank reconciliations ▪ Cashflow forecast ▪ Summary of contract commitments ▪ Overview of budget to actual expenditure analysis with variance explanations <div style="background-color: yellow; height: 20px; width: 100%;"></div>

Type	Period / Frequency of submission
	The quarterly management accounts should be prepared within 10 days of the end of the quarter and submitted to the Project Director for review and discussion during management meetings. The purpose of the quarterly management accounts is to provide a monitoring tool for management with the purposes of identifying issues and taking corrective action.

14. Audit matters

14.1 Internal Audit

PMB will procure the services of an internal audit firm on an annual basis and report its findings to the project steering committee to ensure independence. The internal audit work will focus on the activities of PMB and other Implementing partners which report to PMB. Recommended TOR is included in [21.5](#).

The final report will be submitted to the Project Steering Committee to ensure independence. The internal audit work will cover activities at both the central office, district offices as well as a sample of Community Groups.

14.2 External Audit

14.2.1 Auditing standards

IFAD promotes the use of internationally accepted auditing standards and requires that State Audit Office of Vietnam audits CRWIS financial statements in accordance with audit standards that are acceptable to IFAD.

14.2.2 Appointment of the auditor

IFAD prefers the audit of CRWIS financial statements are audited by the State Audit Office of Vietnam (SAV). However, SAV must ensure that:

- ✓ The auditor must be independent of the project, its staff and activities, in accordance with international best practices.
- ✓ The project auditor may not provide consultancy services to the project or prepare the project financial statements or have done so in the previous two years.
- ✓ The auditor must be suitably qualified and be a member of a professional body affiliated with the International Federation of Accountants.
- ✓ The auditor's work must conform to international auditing standards
- ✓ The audit firm must be able to assign an audit team to the audit possessing the necessary competence and skills.
- ✓ The audit firm must have a proven track record in conducting audits of a similar nature and complexity.
- ✓ The auditors must have sufficient staff to **deploy to both the main offices of PMB & IPs.**

Auditors should normally be appointed in advance of the start of the period to be audited, to allow the auditor sufficient time to plan and carry out a comprehensive examination of the borrower's/recipient's financial records and accounts.

14.2.3 Auditor terms of reference

A sample proposed TOR for CRWIS is included in [21.7](#) in case CRWIS decides to appoint a private sector auditor. The CA should use and refine this TOR as required.

14.2.4 Audit opinion and audit package

The audit report will outline the audit opinion on the audited financial statements. SAV is required to issue an audit opinion in accordance with Vietnam National Audit Standards.

The auditor is expected to submit an audit package that at a minimum includes the audited financial statements, the audit report and the management letter. The management letter is an integral part of the audit package, which documents internal control issues identified by the auditor. The management letter should:

- Outline the auditor's recommendations to address identified internal control issues, and the responses to them on the part of the Project's management.
- Where applicable, provide follow-up commentary on the issues identified in the previous year's management letter.
- Include any ineligible expenditures identified during the audit be outlined in the management letter.

14.2.5 Audit reporting period

IFAD generally requires an annual audit of Project financial statements. However, the frequency of the audit may be changed by IFAD as a function of the Project's risk profile. In all instances, IFAD will confirm the frequency with which CRWIS's financial statements are to be audited.

The audit reporting period may be amended for the first and/or final audits, in line with the following guidance:

- For the first audit, in cases in which the Project commences during the financial year, the following procedures will generally apply:

² ISA 700 (Forming an Opinion and Reporting on Financial Statements) provides illustrative audit reports.

- When the period between the first disbursement and the end of the financial year is less than six months, IFAD may allow the results for the first financial period to be included in the following financial year’s audit subject to agreement with IFAD Finance Officer; or
- When the period between the date of the first disbursement and the financial year-end is greater than six months, audited financial statements for the period are always required subject to agreement with IFAD Finance Officer.
- For the final audit, IFAD may recommend an audit reporting period that is longer or shorter than 12 months, but that in no case may exceed 18 months. This is to ensure that the final audit can be concluded and the audit report submitted to IFAD by the Project Closing Date subject to agreement with IFAD Finance Officer..

In such instances, IFAD will discuss and agree on its requirements with the borrower well in advance of commencement of the final audit.

14.2.6 IFAD Audit reviews

IFAD will conduct reviews of CRWIS audit reports. The main purpose of the reviews is to determine whether the auditor conducted a quality audit resulting in an audit opinion acceptable to IFAD, and to assess the quality of the financial reporting of CRWIS.

IFAD will communicate the results of the audit report review process within sixty days following receipt of the audit package. If required, CRWIS will be requested to take corrective actions within a specified time frame. These actions should be included and monitored in the Action Tracker (illustrated in [21.9](#)).

14.2.7 Public disclosure of audit reports

IFAD will publicly disclose CRWIS Project financial statements and audit reports, subject to processes applicable to their publication. In line with the standards of the International Aid Transparency Initiative, CRWIS is encouraged to publish financial information on its own website, for increased accountability. CRWIS must ensure that the audit TORs explicitly mention the right of the CRWIS and of IFAD to publish the audit report, with no limitation-of-use clause.

15. Records Management

15.1 Maintenance of separate accounts and records

In terms of IFAD’s General Conditions for Agricultural Finance:

"The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date..."

In order to comply with the above requirement, PMB and other Implementing partners are required to maintain accounts. Such accounts and records may include:

Type	Example
<i>Electronic information</i>	<ul style="list-style-type: none"> • Data and information maintained within the Respective software accounting software • Other documents and files maintained electronically, either on desktops, laptops or removable storage devices
<i>Correspondence</i>	<ul style="list-style-type: none"> • Emails • Hard copy correspondence (letters)

<i>Documents received from external sources</i>	<ul style="list-style-type: none"> • Bank statements • Supplier documentation
<i>Internally generated information</i>	<ul style="list-style-type: none"> • Employee files • Withdrawal applications • Forms

All documents and information are the property of CRWIS and may not be removed.

15.2 Filing and storage of the financial records

PMB and other Implementing partners are responsible for filing records. To fulfil this responsibility:

- Project parties should maintain files in a chronological order, assigning appropriate codes/sequential numbers;
- Project parties should perform filing activities on a regular basis to prevent the accumulation of papers and to ensure that the financial records are always maintained in an up-to-date manner.
- Project parties should allocate an appropriate storage area for the financial records in paper format and maintain them in locked cabinets, safe from water and fire, to which access is controlled and limited.
- Project parties should also classify the financial records as "Confidential", or "General".

15.3 Off-site archiving of financial records

The CA should ensure that the financial records are archived at an off-site location on a regularly basis. Once a year, the CAs should make sure that the completed or inactive files are archived in a manner that will allow for easy retrieval of the files in case they are required at some future date.

15.4 Electronic back-up procedures

Back-up of electronic information is an important function to be undertaken under instruction from the CA. It is required that:

- Daily: Electronic information at each Project office is backed up on the local server
- Weekly: Electronic information is saved on an external storage device and kept in a locked cabinet

Project staff access to backup files are subject to authorisation by the Project director or CA. The access of external persons is prohibited except for the auditors and IFAD staff.

15.5 Retention period

Project parties are required to retain accounts and records for at least ten (10) years after Financial Close. The CA should ensure that all documents and records (electronic and paper) are handed over to GoV at financial closure to ensure that records can be maintained for the 10-year period.

16. Fixed Asset Management

Fixed asset management is an important process that seeks to track fixed assets for the purposes of financial accounting and to ensure preventive maintenance, and theft deterrence. Adequate Fixed asset maintenance also increases the sustainability of the Project. There are three elements in fixed asset management that require the attention of the CAs:

- Purchase of equipment

- Setting up and maintaining an asset register including verification
- Setting up a plan for disposal and/or handover of the asset once the Project is completed

16.1 Purchase of Equipment

Accountants should follow the following process for each fixed asset purchased:

- Assign a unique, sequential asset number (excluding minor items such as stationary).
- Tag each item with its unique asset number.
- Record the item of equipment in fixed asset register

16.2 Fixed asset register

Accountants must maintain a fixed asset register in the asset management module of the accounting software. The asset register should record the following information for each individual piece of equipment (refer [21.9](#) for illustration):

- Asset description
- Asset number
- Individual responsible for asset
- Implementing agency responsible for purchase
- Source of funding of asset (IFAD, government etc),
- Location of the asset
- Date of purchase
- Cost of purchase and invoice number
- Remarks regarding the condition of the asset

The CAs shall ensure that the consolidated fixed asset register is maintained and updated regularly.

Assets purchased for beneficiary use should be included in the fixed asset register if the assets remain under the ownership of the Project (therefore beneficiaries to return to Project at Project closure).

16.3 Asset Verification Review

Under the management of the CA, CRWIS must conduct an annual asset verification process whereby the following checks are performed:

- Verify that all fixed assets are still held in the location recorded on the register;
- Confirm the completeness and accuracy of the information recorded on the fixed asset register;
- Check that equipment and vehicles are still in a reasonable state of repair and that remarks regarding the condition of the assets are correct as recorded in the fixed asset register;

The verification review must be performed by different staff from those who use the equipment, to ensure adequate segregation of duty. Discrepancies between the verification exercise and the fixed asset register should be investigated. Where assets are missing or seriously damaged, they should be removed from the asset register. The removal should be formally documented and approved by CA and Project Director. Moreover, the CAs will undertake random verification of fixed assets during field visit.

16.4 Vehicle Maintenance and Fuel

Drivers are required to maintain waybills/itinerary lists and vehicle history records ([21.11](#)).

No cash shall be advanced to drivers for the purposes of refueling.

- Each vehicle/driver to have dedicated fuel card which indicate the vehicle registration number.
- Each fuel card to have a set daily / monthly limit based on average consumption.

- Changes to the monthly limit is subject to approval by the CAs (which will be approved base on approved trips).
- The waybill shall indicate the reading of odometer at the beginning and end of the period, i.e. the mileage of the car, as well as fuel consumption. This process shall be checked by an ACCOUNTANT.
- Drivers shall provide a monthly summary report on fueling and usage. Differences to be followed up/resolved.
- Provision of fuel and lubricants shall be strictly limited per each vehicle per month in accordance with the order signed by the Management.

Vehicle insurance

The CAs should ensure that all Project vehicles are comprehensively covered and that all drivers are noted on the insurance policy. Under no circumstances, may uninsured drivers drive the vehicles. The insurance policies should be renewed annually or as stipulated in the policy. The safety of cars is the responsibility of the drivers assigned to the vehicles. Consequently, they must ensure that the vehicles are parked in a secure area when not in use or outside working hours.

Maintenance

The drivers are required to monitor the maintenance of their assigned vehicles. The drivers must notify the Office Manager of maintenance needs so that the cars can be serviced on a timely basis. The Office Manager is required to request the car maintenance, subject to approval by the Project Director. The assigned cars must always be taken to the selected garage for repairs and maintenance.

17. IFAD financial management support

17.1 Overview of IFAD support

IFAD's Financial Management Division (FMD) will remain involved with CRWIS from Project inception (starting at Project design) to Financial Closure to ensure that CRWIS fiduciary requirements are met.

FMD's Finance Officer will establish ongoing contact with the Project, by liaising with the CA of PMB and will be available to provide remote support on financial management matters. In addition, FMD will visit CRWIS during missions to the Project (represented by either the Finance Officer or an appointed consultant). Mission types include supervision missions, mid-term reviews and implementation support missions. During missions, FMD will assess and monitor the adequacy of CRWIS financial management arrangements such as accounting, budgeting, internal controls, flow of funds, financial reporting and the auditing practices.

If financial management arrangements of CRWIS are deemed acceptable, IFAD will rely on them to provide assurance that the financing proceeds are being used for the intended purposes. In the case that IFAD identifies weaknesses in the financial arrangements, it will require CRWIS to take the appropriate measures to mitigate those risks.

The key findings and recommendations of missions will be captured in the Aid Memoire which is a document which is shared with PMBs and includes an overview of issues identified and proposed actions to be undertaken by the project/IFAD to address issues identified.

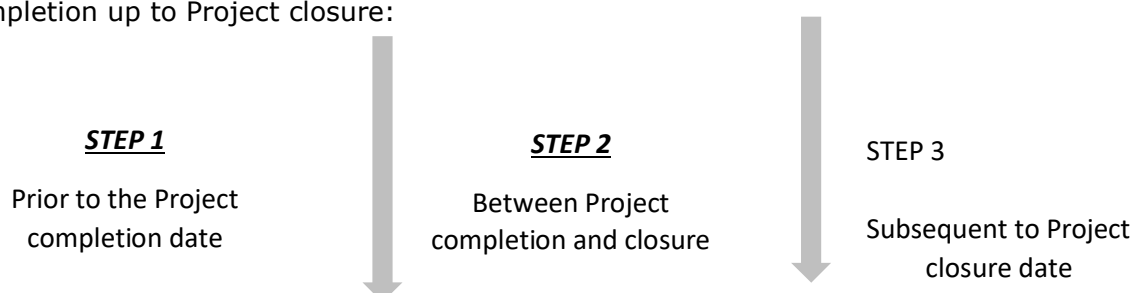
17.2 Roles and responsibilities related to IFAD support

CRWIS will be required to participate in IFAD missions as follow:

Stage	Project roles and responsibilities
<i>Before IFAD missions</i>	<ul style="list-style-type: none"> • Prepare Appendix 1 (21.10) and submit to the FO/Consultant in electronic format (Excel Workbook, including formulae) <u>before</u> commencement of the mission – the FO/Consultant will specify the date range to be covered within Appendix 1. • Each project party (PMB and other Implementing partners) to complete the Financial Management Assessment Questionnaire (FMAQ) and submit to the FO/Consultant in electronic format (FO to provide most recent template). • Prepare all other information as requested by FO/Consultant before commencement of the mission (refer 21.2).
<i>During IFAD missions</i>	<ul style="list-style-type: none"> • Provide the FO/Consultant with all information which was requested before the mission. • Arrange meeting with the auditors (internal and external) and any other selected party requested by the mission. • Ensure that all FM staff are available to assist the FO/Consultant in performing their duties which may include: <ul style="list-style-type: none"> ○ Review of financial reports, reconciliations ○ Physical verification of fixed assets and inventory ○ Meeting with the auditor ○ Reviewing and completing the FMAQ • Discuss identified FM weaknesses and risks and assist the FO/Consultant with developing appropriate actions for inclusion in the aide memoire.
<i>After IFAD missions</i>	<ul style="list-style-type: none"> • Respond to any wrap-queries from the FO/Consultant • Commence with implementing all actions which are included in the Aide Memoire • Update the Action Tracker (see illustration in 21.9) with all actions raised during the missions.
<i>Ongoing</i>	<ul style="list-style-type: none"> • Monitor and update the Action Tracker to ensure all actions are implemented in a timely manner. Liaise with the Financial Manager if required. • Respond to ad-hoc queries received from the Financial Manager or other IFAD staff as it related to FM matters.

18. Project completion and closure

The Project completion date is defined in the financing agreement and the Project closure date is 6 months thereafter. The following is relevant to period before Project completion up to Project closure:



STAGE 1	STAGE 2	STEP 3
Up to the Project completion date	Between Project completion and closure	Project closure date
<ul style="list-style-type: none"> ▪ Justification of advances for all expenditures spent by completion date ▪ Agree on the audit scope of work and submit to IFAD for no objection ▪ Incur eligible expenditure up to the Project completion date 	<ul style="list-style-type: none"> ▪ Commencement of the final audit ▪ Auditor performs the final audit in line with scope of work approved by IFAD ▪ Incur winding up expenditure only (cost of audit, staff salaries, operating costs, Project completion report) ▪ Submit final withdrawal application for justification ▪ Develop an asset handover and disposal plan (include up to date fixed asset register, indicate condition of all assets and to which entity the assets will be transferred). 	<ul style="list-style-type: none"> ▪ Submit final audit report on or before the Project closure date ▪ Submit Project completion report on or before the Financial Closure Date (as required in the financing agreement) ▪ Confirm the final withdrawal application with IFAD ▪ Return outstanding advance if applicable (all unjustified balances) ▪ Closure of the loan with IFAD

A notice is sent to the Borrower at least six months prior to the PCD to advise that all applications must be submitted before the closing date, and to remind the Borrower that expenditures incurred and commitments made after the PCD will not be honoured, except for authorised expenditures during the "Winding Up Period" (from PCD to Financing Closing Date). This means that goods are delivered, civil works are completed and services are rendered on or before such date.

After the financing closing date, IFAD informs the Borrower of the formal closure of the loan/grant account, provides a history of disbursement transactions and cancels the unused loan/grant balance. A re-amortisation plan should be sent where relevant.

Asset handover plan

The plan should develop report outlining the following for the purposes of handing over Project assets to the identified beneficiaries:

- The value of all the assets bought under the Project
- Summary of the current condition of the assets,
- To which entity will the assets be transferred to and on which date and for what purpose.
- List the assets that will be disposed and the reason for being disposed.

19. IFAD Financing agreements – amendments and budget reallocations

If amendments are required to the financing agreement:

- a formal written request should be submitted to IFAD
- outlining the required amendment and motivation thereof.


Amendments to the agreement may be required for (but not limited to):

- Changes to the project completion date and grant closing date,
- Changes to the project budget/budget reallocation (noting that the budget may not be increased above the original total amount)

Budget reallocations

- In some cases, the expenses category amounts as outlined in the financing agreement requires a revision if the project notes that actual expenditure is deviating from the original budget.
- In such instances a reallocation is required, depending on the size of the reallocation per category (expressed as %)
- Reallocation of equal to or less than 10% (of each category) between the various categories if such a reallocation ***does not change the basic purpose of the project.***
- For reallocation greater than 10% of any expense category, the Borrower is required to formally request a reallocation from IFAD (supported by a detailed motivation).

20. Useful links

Document	Link
<i>IFAD financial management e-learning</i>	https://www.ifad.org/elearning_cfs_a/index.html
<i>Revised IFAD policy on preventing fraud and corruption in its activities and operations (December 2018)</i>	https://www.ifad.org/en/document-detail/asset/40189695
<i>Guidelines for internal controls for Public Sector Entities (INTOSAI GOV 9100)</i>	 Guidelines for internal controls for Public Sector Entities (INTOSAI GOV 9100).pdf
<i>IFAD General Conditions for Agricultural Development Financing</i>	https://www.ifad.org/documents/38711624/39421024/general_e.pdf/47c5f14b-2903-4285-b0b0-62c67cd650b8
<i>IFAD Handbook for Financial Reporting and Auditing of IFAD-financed projects (English)</i>	https://www.ifad.org/en/-/document/ifad-handbook-for-financial-reporting-and-auditing-of-ifad-financed-
<i>IFAD Loan Disbursement Handbook</i>	https://www.ifad.org/web/guest/document-detail/asset/39635782
<i>ICP page</i>	https://icp.ifad.org/

ICP support email

icpsupport@ifad.org

21. Annexures

21.1 AWPB Structure and preparation checklist

PMB is responsible for the development of the Annual Work Plan and Budget (AWPB), generally covering a period of 12 months, which should include the following mandatory sections:

Section	Description
<i>Introduction</i>	<ul style="list-style-type: none"> ▪ Provide a brief background <ul style="list-style-type: none"> ▪ Include narrative covering the strategic focus, target group, geographical focus (Project sites), outreach (with gender disaggregation), Project components, specific activities to be undertaken and the planned output for each activity.
<i>Risks and mitigation</i>	<ul style="list-style-type: none"> ▪ Outline of major risks that could affect adversely the Project outcomes and mitigating actions taken.
<i>Budget and financing plan</i>	<ul style="list-style-type: none"> ▪ Describe the necessary inputs and outputs for each activity including the expenditures, financing source and expected completion date. ▪ The expenditures should be classified per activity and should also be linked to a component, expenditure category as per the financing agreement and a financing source. ▪ Each activity should be coupled with tangible outputs or physical targets to facilitate the measurement of Project progress.
<i>Procurement plan</i>	<ul style="list-style-type: none"> ▪ Outline detailed plan outlining procurement activities, include expected cost for each item, procurement method and timeline. ▪ <u><i>The first Procurement plan should cover the first 18 months of the Project lifecycle while the subsequent procurement plans should cover 12 months of the Project lifecycle.</i></u>
<i>Progress and past performance (include in 2nd AWPB onwards)</i>	<p>Outline the following with:</p> <ul style="list-style-type: none"> ▪ Summary of the key achievements ▪ Problems encountered and how these were resolved ▪ Budget execution, comparing actual expenditure per category/component to prior AWPB with an indication of category overspend
<i>Other</i>	<ul style="list-style-type: none"> ▪ Training and technical assistance schedule ▪ PMB staff development plan ▪ Project staff payroll (including the names, titles, salaries and incentives)

AWPB Check: The checks listed below are designed to improve the quality of the AWPB during the final preparation stage.	Yes	No
Is the AWPB complete and clearly presented? Does it disclose sufficient information?		
Is the AWPB in line with the Project description and rational (schedule 1) as per the financing agreement and the Project log-frame? Are all the activities relevant to the Project?		
Does it contain the necessary summary tables by component and financier and by expenditure category and financier as well as the detailed tables by component?		
Does the implementation schedule seem realistic and does it show appropriate targets and milestones? Are the targets and execution level realistic compared to past years progress?		
Does it contain a separate annex disclosing the details of the Project payroll?		
Does it contain a separate annex containing outlining the planned trainings?		
In the detailed tables are the expenditures structured by activity and linked to a component, expenditure category and financing source?		
Are the cost categories of the AWPB in line with the Schedule 2 of the IFAD financing agreements and are expenditures within the agreed allocations?		
Is any expenditure category GoVng to be overdrawn during the year? Is a reallocation of IFAD funds needed?		
Does the total (and subtotal) costs add up? Are the inputs (unit cost) and outputs (physical targets) adequately quantified? Is there coherence between the inputs and outputs? And does these represent value for money (i.e. what is the unit costs for per output, e.g. cost per trained farmer)?		
Are the unit cost are realistic and do they reflect market prices?		
Is the AWPB accompanied by a procurement plan? Is the procurement plan consistent with the AWPB?		
Is the format of the AWPB compatible with other financial reports and the accounting software to allow input in the budget module and generation of actual vs budget reports and		
If last audit, does it take into account completion date of the Project as well as winding up activities such as Project completion report, final audit as handover/disposal of Project assets (computers, vehicles etc.),		

A.1. Annual Work Plan and Budget

Project Name:
Recipient:
Reporting period: DD.MM.YYYY – DD MM.YYYY

Description: Budget Item by Component, Subcomponent and Activity	Detailed Tables per Component, Expenditure Category and Financier : (Repeat sheet for each component as applicable)														
	Locations			Items used in US\$:			Physical Contingent by activity	Timeline				Financing Source (US\$)			
	Budget Category	Implementing entity	Country/State	Unit cost	Unit cost	Quantity		Total	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Delivered by	IFAD Grant	Co-financing
Component 1															
Activity 1.1															
Expenditure item															
Expenditure item															
Subtotal															
Activity 1.2															
Expenditure item															
Expenditure item															
Expenditure item															
Expenditure item															
Subtotal															
Activity 1.3															
Expenditure item															
Expenditure item															
Expenditure item															
Expenditure item															
Subtotal															
Total (Component 1.2.3 etc)															

21.2 Information checklist – preparing for IFAD missions

It is required that CRWIS prepare the following in anticipation of IFAD missions:

Information	Guidance
1. <i>Appendix 1</i>	<ul style="list-style-type: none"> Prepare Appendix 1 in Excel Workbook and include formulae as appropriate.
2. <i>FMAQ</i>	<ul style="list-style-type: none"> Include comments in the Financial Management Assessment Questionnaire (with exception of the summary section).
3. <i>Withdrawal applications/ SOEs</i>	<ul style="list-style-type: none"> Make hardcopy files of all recent withdrawal applications/statement of expenditures available (at least covering 12 months prior to the missions). Upon request, provide supporting documentation for a selection of expenditures. Provide a summary of pending withdrawal applications/IFRs for review.
4. <i>Bank reconciliations</i>	<ul style="list-style-type: none"> Make hardcopy files of most recent bank reconciliations available. Include copies of relevant bank statements. Ensure that IFAD designated account reconciliations are prepared in the correct format as outlined in the IFAD Loan Disbursement Handbook
5. <i>Financial reports</i>	<ul style="list-style-type: none"> Provide most recent financial reports (as at end of most recent completed month), which include summary information (including all sources and uses of funds). Provide most recent interim financial report (format illustrated in 22.9) Provide copy of most recent audited financial statement.
6. <i>Fixed asset register</i>	<ul style="list-style-type: none"> Provide updated fixed asset register in Excel Workbook format (export from accounting software).
7. <i>Manuals and procedures</i>	<ul style="list-style-type: none"> Provide an electronic of the most recent version of the Financial Manual (to which IFAD provide a no objection). Provide a copy of the accounting software manual.
8. <i>Contract register and monitorina forms</i>	<ul style="list-style-type: none"> Make available the update Contract Register and Contract Monitoring Forms (export from Accounting software).
9. <i>Action tracker</i>	<ul style="list-style-type: none"> Update the action tracker with progress to date.
10. <i>AWPB/Procurement Plan</i>	<ul style="list-style-type: none"> Make available electronic copies of the AWPB and Procurement Plan (provide in Excel Workbook format).
11. <i>Advances</i>	<ul style="list-style-type: none"> Make available a summary of outstanding advances with supporting documentation.

21.3 Terms of reference: CA

Post title:	CA of (PMB)	Organisation:	(PMB)
Location:	Thanh Hoa or Nghe An		
Name of Project:	CRWIS		
Duration:			
Type of contract:	Fixed term		
Closing date:	XXX		

I. Background**II. Overall objective**

The CA, under the direct supervision of the Project director, and within the framework of projects appraisal reports and loan/grant agreements, is responsible for the financial and administrative management of the PMB, including supervision of Accountants, Accounting, Budgeting, financial reporting, internal controls, auditing arrangement, flow of funds and the efficient management of projects resources. It is expected that the PMB Chief Accountant will assume this role.

III. Roles and responsibilities

- Prepare together with the Project director the Annual work plan and budget and the budget and financing plan.
- Oversee the process of recruitment of Accountants required for the CRWIS.
- Master IFAD key documents such as, the disbursement handbook, procurement guidelines and handbook, IFAD guidelines for project audits, the Financing Agreement (FA) and the FMFCL.
- Develop and maintain an efficient accounting system and reliable internal control procedures and guidelines for financial reporting and recordkeeping.
- Ensure adequate maintenance of accounting software for the project accounting record-keeping and financial reporting.
- Ensure bank accounts and accounts with implementing partners are reconciled monthly.
- Ensure all supporting documents are adequately maintained for all project financial transactions.
- Ensure external and internal audit reports are sent on time.
- Ensure external and internal audit report recommendations are timely implemented.
- Ensure IFRs are timely prepared and sent to IFAD
- Ensure IFAD Supervision report recommendations are timely implemented.
- Responsible for the preparation, review and monitoring of projects budgets including financing plan, procurement plan (together with the Procurement Officer), and staff development plan (together with the training focal point)
- Prepare/verify all withdrawal applications for submission to IFAD and ensure the availability of funds for all planned activities. Manage the projects bank accounts, approve and co-signs all payments.
- Prepare and provide financial reports including the sources and uses of funds statement, incurred expenditures by component, expenditure category and financier, designated account reconciliation statement, fixed asset list and cash flow forecast etc. for submission to the Project steering committee, LPA and IFAD on a quarterly basis, and maintain all records in a form appropriate for audit.
- Lead the process of assigning an external audit (SAV) to conduct an independent audit of the annual project accounts, ensuring that annual audits are carried out within the specified timeframe.
- Develop and maintain a system of financial control over all expenditure incurred by implementing partners.
- Responsible for developing and managing an effective and performance based human resources management system.
- Supervise and coordinate the work of staff placed under his/her direct authority.
- Review and regularly update the Financial and Administrative Manual of the PMB.
- Responsible for the organization and supervision of the PMB office, assets, logistics, and all administrative matters.
- Undertake any other activities assigned by the Project Director.

- Accounting or Finance, undergraduate degree
- At least 5 years of experience in a similar position
- Chartered Accountant
- Excellent knowledge of Vietnam Accounting and Audit standards

V. Duration of Appointment

21.4 Terms of reference: Accountant (two positions)

Post title: Accountant (*PMB*)

Organisation: (*PMB*)

Location: Thanh Hoa or Nghe An

Name of Project: CRWIS

Duration:

Type of contract: Fixed term

Closing date: XXX

I. Background

Accountant is part of CRWIS PMB FM team and primarily responsible for maintaining Respective accounting software for CRWIS.

II. Overall objective

Accountant will be responsible for maintaining accounting records in the accounting software for CRWIS PMB, reconciliation of accounts and consolidation of financial reports for all implementing partners.

III. Roles and responsibilities

Under the direct supervision of the PMB Chief Accountant (PMB); specific duties include:

- Assist the PMB Chief Accountant(PMB) in the implementation of a sound financial management system.
- Prepare financial reports, including monthly funds reconciliation, and monthly, quarterly, semi-annual and annual expenditure statements;
- Prepare transaction vouchers, and input all transactions into the PMB accounting system before submission to the PMB Chief Accountant(PMB) for approval;
- Process all payments, ensuring that PMB procedures are strictly adhered to;
- Process monthly payroll, payment of salaries to staff and project contributions;
- Assist the PMB Chief Accountant(PMB) in the preparation of withdrawal applications and IFRs;
- Prepare cash flow forecasts as required;
- Monitor financial reports and supporting documents from Implementing Partners, including periodic visits to their offices;
- Assist in the preparation and monitoring of annual operational budgets.
- Functional supervision and training of Accounts of Implementing partners.
- Maintenance of a well-organized and up-to-date filing system for accounting and financial records as well as a fixed asset tagging system;
- Perform physical inventory of project assets each year;
- Assist the PMB Chief Accountant(PMB) in the preparation of internal financial instructions and guidelines.
- Provide assistance to the external auditors as required;
- Undertake any other activities assigned by PMB management and PMB Chief Accountant

IV. Required qualifications and experience

- Accounting or Finance, undergraduate degree
- At least 2 years of experience in a similar position
- Good understanding of Vietnam Accounting and Audit standards

V. Duration and timeline

The period of assignment in the position will be initially 12 months and may be extended by mutual agreement, with probation period of three months.

21.5 Terms of reference: Internal Audit Services

Contract	Internal audit services
Project	CRWIS
Location	Vietnam
Duration	XX month per annum
Starting Date	[insert]
Languages required	English

1. Background:

[INSERT]

2. Reporting System:

The objective of the Internal Auditor firm is to add value and improve the Project’s operations and assist Project’s Board of Directors and management by independently reviewing all activities, processes and systems with particular regard to risk and control aspects and bringing a systematic and disciplined approach to the effectiveness of risk management, control, and governance processes.

The successful firm will possess a thorough knowledge of internal auditing procedures, accounting procedures and have sound judgment on risk identification and management.

The firm will produce a monthly internal audit report presented to the Project Steering Committee.

Internal Audit firm shall monitor the appropriate follow-up on audit findings and recommendations. All significant findings will remain in an open issues file until cleared.

3. Independence:

The internal audit firm reports to the Project Steering Committee, who appoints and terminates the firm upon recommendation of the Donors. The firm will work under the overall supervision of the Project’s Steering Committee.

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in performing the function.

Internal Audit shall have no direct operational responsibility or authority over any of the activities it reviews. Accordingly, it shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be considered management or staff’s responsibility.

4. Authority and confidentiality:

Authority is granted for full and unrestricted access to all THE PROJECT records, physical properties, and staff relevant to any area under review. All employees are requested to assist the internal audit in fulfilling its function.

Documents and information obtained by the internal audit firm will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

5. Duties and Responsibilities:

Within the framework, as described above, the internal audit firm will carry out the following tasks:

- Conduct a post-audit procedures on the PMB and Implementing partners which report to it, with respect to their functions and activities within the project. Make recommendations on possible improvements of the procedures to enhance control mechanisms, financial performance and produce quality reports for senior management and Board of Directors, to enhance decision making, on monthly basis.
- Audit all contracts signed between PMB and Implementing partners with service providers, suppliers, and contractors to verify that (i) compliance with terms and conditions of grant / loan agreements and procurement regulations and donor guidelines; and (ii) the contract is in line with best practice with respect to compliance with terms of reference, request for proposal, tender documents etc.
- Develop professional and constructive working relationships with key managers and be able to challenge when necessary.
- Lead development of specific innovative ways of working and new ideas for reviewing risk and control issues.
- Assess risk and control related policies and procedures, provide input to updates in existing procedural documents with respect to controls as necessary
- Apply internal audit procedures to audit the financial statements, accounting records and other financial and non-financial registries applying accepted internal audit standards.
- Undertake special assignments and investigations and in particular undertake more complex and high-level audit investigations under advisement of the Project Steering Committee.
- Reviewing the means of safeguarding assets and, as appropriate, verifying their existence.
- Reviewing and appraising the economy and efficiency with which resources are employed.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned, including verify the adherence of PMB/Implementing partners staff to AWPBs, policies, plans, procedures, laws, and fund regulations that are influential on Fund works as well as donors accounting procedures.
- Asses the efficiency, effectiveness and economy of the usage of resources and reports of any deviations in case they are existed.
- Reviewing the adequacy, implementation and operation of donors' transparency and accountability policies and of other anti-corruption, fraud and related misuse policies and procedures.
- Confirming adherence to the Financial Manual (as approved by IFAD).

6. Audit Planning:

- Internal Audit firm shall regularly submit to the Project Steering Committee an up-to-date summary of the audit work schedule.
- The audit work schedule is developed based on a prioritisation of the audit universe using a risk-based methodology. Any significant deviation from the formally approved work schedule shall be communicated to the Project Steering Committee through periodic activity reports.
- The audit planning shall pay specific attention to the activities of the implementing Implementing partners which report to PMB.

7. Qualification criteria:

- Internal audit firm should be member of recognized professional international Accountancy/ Audit body

- The firm shall govern themselves by adherence to The Institute of Senior Internal Auditors' Code of Ethics. The Institute's International Standards for the Professional Practice of Internal Auditing shall be adhered to by the firm. The Institute of Senior Internal Auditors' Practice Advisories will be adhered to as applicable.
- Assigned employees to have:
 - Proven relevant working experience in Internal Audit.
 - Proven experience of risk management frameworks and approaches.
 - Experience of operational auditing & risk based approach to review.
 - Excellent negotiating and high level influencing skills and the ability to challenge at a senior level when necessary.
 - Ability to work in challenging environments.
 - Ability to work and deliver to tight deadlines.
 - Logical and systematic in analytical thinking.
 - Facilitation and presentational skills.
 - Full Working knowledge of English, including excellent drafting and presentation skills.
 - Excellent computer skills, including full working knowledge of standard word processing, spreadsheets and presentation packages.

21.6 Supporting documentation upon request from IFAD

As specified in chapter 3 of the IFAD Loan disbursement handbook, the following supporting documentation should be submitted upon request by IFAD:

Type of payment	Supporting documentation
<i>All types of payments</i>	<ul style="list-style-type: none"> ▪ The signed contract or confirmed purchase order (Showing the specified amount that is due paid.) ▪ The bank guarantee for advance payment, as specified in the contract documents ▪ The bank guarantee for performance, as specified in the contract documents ▪ Copies of communications sent by the IFAD country Project manager to the lead Project agency (LPA) providing the IFAD's no objection (post or Prior) to the contract award, and ▪ Evidence of payment.
<i>Payment of goods</i>	<ul style="list-style-type: none"> ▪ Supplier's invoice duly certified for payment by the Project director – specifying the goods, their quantities and prices ▪ Bills of lading or similar documents; and ▪ As appropriate, the certificate of delivery (to include condition of goods to delivery).
<i>Payments for services (including consultants)</i>	<ul style="list-style-type: none"> ▪ The supplier or consultant claim, duly certified for payment by the Project director and showing sufficient detail. If such Services relate to the importation of goods (for example, freight and insurance payments), adequate reference should be given to enable IFAD to relate each of these items to specific goods whose cost has been or is to be financed by the financing closing date; and ▪ As appropriate, a certificate of delivery of satisfactory services
<i>Progress and retention payments of civil works</i>	<ul style="list-style-type: none"> ▪ the claim if the contractor, including a financial progress report, stating the work performed and the amount due; ▪ A certificate-signed by the Project consultants or owner's representative, if any, or by the borrower's chief engineering officer or resident supervising engineer assigned to the Project, to the effect that the work performed is satisfactory and the payment claimed is due in accordance with the terms of the contract, and ▪ A copy of the contract payment monitoring form signed in original by the certifying officer.

21.7 Terms of reference: External Auditor

Borrower:	Government of Republic of Vietnam
Project:	CRWIS
Financing Agreements:	XXXXXX
IFAD:	Loan xxx; (IFAD)

1. Background

- The International Fund for Agricultural Development (IFAD) is aiding the borrower/recipient in the form of loan(s) [and/or grant(s)].
- A financing [and/or grant] agreement(s) has/have been signed between IFAD and the [borrower/recipient]; see appendix 1.
- [Insert for private auditor]: IFAD requires the borrower/recipient to appoint an independent auditor to audit the accounts related to the project, in accordance with the IFAD Handbook on Financial Reporting and Auditing.
- The reporting entity is [xxx].
- The entity prepares its financial statements in accordance with [applicable accounting standards].
- The auditor conducts its audit in terms of [applicable auditing standards].
- [Insert any other information that may be relevant to the auditor]

2. Objective

The objective of this audit is to enable the auditor to express an opinion on whether the financial statements (including additional disclosures as outlined in section 5) fairly present, in all material respects, the financial position of the reporting entity as at [insert year-end date], and/or the results of its operations and cash flows for the years then ended, in conformity with the [applicable accounting standards].

3. Responsibilities of the [borrower/recipient]

I. General

- Provide financial statements for the activities financed by the loan/[grant] that are reconcilable with its records and accounts.
- Provide the auditor with access to all legal documents and correspondence with consultants, contractors and other persons or firms engaged by the project and any other information associated with the project that the auditor deems necessary.
- Ensure that accounting policies are consistently applied and disclosed.
- Ensure that appropriate internal controls are implemented to prevent misstatements and susceptibility to fraud.
- Ensure compliance with all relevant laws and regulations that pertain to the entity, as well as with the financing agreement between the [borrower/recipient] and IFAD.
- Provide the financial statements to the auditor within a reasonable time and be available for any queries that the auditor may have.

II. Financial Statements

The [borrower/recipient] shall:

- Prepare financial statements covering the reporting period [date] to [date], in accordance with acceptable accounting standards that will be identified in the Notes to the Financial Statements.
- In addition, the following specific disclosures will be included in the financial statements:
- Withdrawal application statement – appendix 1 to the IFAD Handbook on Financial Reporting and Auditing of

IFAD-financed Projects.

- Sources and uses of funds statement – appendix 2 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.
- Designated account statement and reconciliation – appendix 3(a) and 3(b) to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.
- [Statements of expenditures – appendix 4 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects] – applicable to grants.
- Expenditure transaction list – online, provided in IFAD Grant Forms repository; see document C.2 “Transaction List”] – applicable to grants.
- Where the amount transferred to the Implementing Partners (IPs) is substantial, the IPs should transmit a copy of the audited financial statement to the PMB/PCU.

4. Responsibilities of the auditor

I. Auditing standards

- The auditor is responsible for issuing an opinion on the financial statements in accordance with [ISA/ISSAI/national auditing standards].

II. General Principles

By agreeing to these terms, the auditor confirms that:

- The firm is independent of the project, its staff and its activities, consistent with international best practices.
- The firm is not currently providing consulting services to the project or preparing its project financial statements (nor has it done so in the previous two years).
- The auditor is suitably qualified and a member of a professional body affiliated with the International Federation of Accountants.
- [The office of [public auditors] is a member of the International Organization of Supreme Audit Institutions (INTOSAI)].
- The auditor is able to conduct the audit in accordance with auditing standards acceptable to IFAD, pursuant to paragraph 4 (I).
- The firm can assign an audit team with the necessary competence and skills to the audit.
- The firm has a proven track record in conducting audits of a similar nature and complexity.

III. Reporting

The auditor is required to deliver an audit package in compliance with ISA 700 and include:

- The audited financial statements, including additional disclosures as outlined in paragraph 3 (II).
- A report on factual findings, within the scope of agreed-upon procedures, as outlined in paragraph 6. Any ineligible expenditure identified should be clearly mentioned.
- A Management Letter, including the information outlined in paragraph 4 (IV).

IV. Management Letter

The Management Letter is an integral part of the audit package that documents accounting and internal control issues identified by the auditors. The format of the management letter should classify the findings by risk priority. The management letter should:

- Provide comments and observations on the accounting records, systems and internal controls examined during the course of the audit, identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
- Include project management’s responses to the identified control issues and its proposal to address the issues identified within a specific time.
- Where applicable, follow up on the issues identified in the previous year’s management letter.
- Provide comments on economy, efficiency, and effectiveness in project management’s use of resources.
- Report on the degree of compliance with each financial covenant in the financing agreement and provide comments, if any, on internal and external matters affecting such compliance.

- Communicate matters that have come to the auditor’s attention during the audit that might have a significant impact on the implementation of the project.
- Review results and findings on IFR reliability for the reporting period.
- Any other matters that the auditors deem pertinent.
- List additional procedures, if applicable.

The audit report should provide sufficient detail as to the nature and extent of the procedures performed by the auditor. The auditor is required to provide the audit package by no later than [insert date]. Reports are to be delivered in the official language of the financing agreement.

5. Scope of the financial audit

In performing the audit, the auditor shall, at a minimum:

- Confirm whether the financial statements have been prepared following international (IPSAS, GAAP, IFRS), regional or national accounting standards; in the latter case, identify elements of difference with the international standards.
- Confirm the auditing standards used for the audit.
- Obtain audit evidence that the financial statements are fairly presented and free of material misstatements, in accordance with the applicable accounting framework.
- Assess internal controls related to the financial reporting process, and identify any weakness that might result in misstatements, whether due to fraud or error.
- Verify the reliability of the SOEs or IFRs, as the case may be, used to support withdrawal applications and ensure that they are reliable and accurately reflect expenditures incurred and activities carried out during the reporting period.
- Verify whether expenditure incurred in the name of the project is consistent with the terms of the financing agreement(s) (appendix xx) and incurred for the purposes intended in this agreement. Both IFAD and third-party funding should be considered.
- Verify whether counterpart funds provided by the Government of [Country] have been provided and used in accordance with the relevant financing agreement; verify that the amount of in-kind contribution is reported according to the agreed accounting principles and that the reported fair-market value for all in-kind contribution items is reasonable and fully and accurately disclosed in the financial statements.
- Verify that the inventory and fixed assets held by the entity exist, are complete, are properly accounted and are used for project purposes; at project closure, confirm that the project assets are transferred to the borrower/recipient or the entity identified in the financing agreement.
- Verify the project’s recurrent costs (salaries and operating costs) claimed under WAs and ensure they are reasonable, congruent with the implementation needs of the project and within the acceptable threshold (FA schedule II and its revisions).
- The audit should cover selected project regional/provincial implementing units as per the audit plan agreed with the PMB/PCU.
- [List others]

6. Scope of the agreed-upon procedures

The auditor is required to perform the following specific procedures and report on factual findings, as required in paragraph 4.3.

I. Withdrawal application statement

The auditor is requested to obtain the individual withdrawal applications (WAs) submitted to IFAD, as summarized in the withdrawal application statement, and develop test procedures to:

- Confirm that the withdrawal application statement is reconciled with the amounts disbursed by the Fund and deposited to the designated account (DA).

- Confirm that the withdrawal application statement is reconciled with the IFRs submitted to the Fund.
- Ascertain whether the designated account currency equivalent was determined using the historical exchange rate of transfers to the operating account or the accounting rules used.
- [List additional procedures, if applicable]

II. Designated account statement

The auditor is requested to review the activities of the designated account(s) associated with the project, including the initial advance, replenishments, interest that may accrue on the outstanding and year-end balances. The auditor is requested to develop test procedures to:

- Check the accuracy of the DA reconciliation(s).
- Confirm that the DA(s) has/have been maintained in accordance with the provisions of the financing agreement and that transactions from the DA(s) are accurately and correctly recorded in the financial accounts and statements of the project.
- Check that expenditures as reported in the project's financial statements are reconciled with the amounts withdrawn from the DA and that the amounts deposited to the DA are reconciled with the amounts disbursed by the Fund.
- Reconciliation should also be made with the amounts paid from the prefinancing account and direct payments (if any).
- [List additional procedures, if applicable]

III. Interim Financial Reports (IFRs) and Certified Statements of Expenditure (SOEs)

The auditor is requested to obtain the certified SOEs or IFRs as submitted to IFAD and apply such tests and control as the auditor deems necessary under the circumstances, to:

- Ascertain that the financial management system is reliable to produce the IFRs and has met Fund requirement during the year.
- Determine whether the expenditures incurred are related to activities outlined in the AWPB and consistent with the grant agreement.
- Determine whether the funds have been utilized for the intended purposes, with due regard to economy, efficiency and social equity.
- Determine whether the SOE threshold was set for the financing instrument and the IFRs prepared accordingly.
- Determine whether the expenditures claimed through IFRs or SOEs were properly and appropriately authorized, classified⁵⁹ and supported by adequate documentation.
- Identify any ineligible expenditures, including the nature of the ineligible expenditures, the date incurred, and the IFR period.
- [List additional procedures, if applicable]

IV Agreed-upon procedures for donor-funded projects

- In the case of projects financed by the Green Climate Fund (GCF), the auditors will assess the compliance of the project accounting records and the GCF Annual Progress Report (APR) with the applicable GCF requirements (e.g. expenditure eligibility, categorization vis-à-vis the GCF budget categories; etc.).
- Include specific requirements for other donors, as needed.
- [List additional procedures, if applicable]

V Other

- [List additional procedures, if applicable]

7. Public disclosure

IFAD promotes public disclosure of project financial information to enhance the level of transparency and accountability. IFAD will disclose project audit reports, as appropriate, in line with the Fund's disclosure policy. Management letters issued by auditors are not subject to public disclosure by IFAD. In agreeing to the terms of reference, the auditor explicitly acknowledges IFAD's right to publicly disclose audit reports (audited financial statements and audit opinion) and will issue reports without a limitation-of-use clause.

To facilitate the public disclosure process, the auditor is requested to submit two separate files as follows:

- Audited financial statements, audit opinion and report on factual findings (the latter where applicable).
- Management Letter.

8. Appendices

[list as applicable]

Appendix: Financing/grant agreement(s) Appendix: Letter to the Borrower

Appendix: IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects

Signed by:

Date:

21.8 Travel advance report

TO BE INSERTED BY PMB

21.9 Illustrative financial statements

[PROJECT NAME]
ANNUAL FINANCIAL STATEMENTS
FOR THE 12 MONTH PERIOD ENDING xxx

[THIS ILLUSTRATION IS BASED ON A NEW PROJECT. FOR EXISTING PROJECT, DISCLOSE PRIOR PERIOD COMPARATIVE INFORMATION AND CUMULATIVE INFORMATION ON S&U STATEMENT]

Table of content:

1. Background
2. Management Statement
3. Audit report
4. Statement of Cash Receipts and Payments
5. Budget to Actual Comparison
6. Accounting policies
7. Notes to the financial statements
8. Designated account statement
9. Designated account reconciliation
10. Withdrawal application summary
11. Fixed asset register
12. Action tracker (supplementary)

Background

Insert Project background information

- *Indicate Project start date*
- *Indicate reporting lines*
- *Provide overview of categories and components and indicate responsible IAs*
- *Provide description of Project activities*
- *Status update*
- *Indicate the relevant legislation governing the Project activities*
- *Overview of financing facilities – see table below:*

Source of funds	IFAD Grant	IFAD Loan	GCF Loan	GCF Grant
<i>Facility/agreement number</i>				
<i>Amount approved (indicate currency)</i>				
<i>Undrawn balance at period end</i>				
<i>If applicable, interest rates and repayment periods</i>				
<i>Restrictions on use of funds (e.g. designated account workings, authorised allocation)</i>				

Management Statement

Insert management responsibility statement

Audit report (illustrative only)**Independent Auditor's report (Provided on Auditor letterhead)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Community Based Agricultural Support Project Plus funded by the International Fund for Agricultural Development (loans xxx and grants xxx). The financial statements comprise of the Statement of Cash Receipts and Payments, Budget to Actual Comparison, accounting policies and explanatory notes.

In our opinion, the accompanying financial statements of CRWIS give a true and fair view of the Financial performance and cash flows for the year then ended in accordance with *IPSAS Financial Reporting Under the Cash Basis of Accounting*.

Basis for Opinion (refer to ISA705 for modifications)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for ACCOUNTANTS' Code of Ethics for Professional ACCOUNTANTS (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Vietnam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

[insert matters if applicable]

Other information

The Board of Directors is responsible for the other information. The other information comprises the xxxx. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free

from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the project's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements. Whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit or the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Public disclosure

This report has been prepared on request of the project, the International Fund for Agricultural Development, however, the report is a matter of public record and its distribution is not limited.

The engagement partner on the audit resulting in this independent auditors' report is xxx from xxxx audit firm.

Independent Assurance Report prepared for IFAD (provided on auditor letterhead)

This report represents the results and conclusions of the independent assurance engagement undertaken on behalf of IFAD.

Background

[Summarise details of financiers, facilities and amounts of funding provided for the period under review and committed in total to the project]

Audit Objectives and Scope

An assurance engagement was undertaken in line *ISAE 3000 Assurance Engagements other than audits or reviews of historical financial formation* in order to provide a report to the International Fund of Agricultural Development on the following:

1. Whether the expenditures, reported by the project are in eligible in terms of the financing agreement with the International Fund of Agricultural Development.
2. Whether the project has adhered to other terms and conditions of the IFAD Financing agreement / Letter to the Borrower/Recipient and other financial management related requirements related to maintenance of the designated account records.
3. Whether the IFAD specific disclosures are accurate and complete and agree to IFAD financial records (statements etc).

The financial information outlined in pages xxx to xxx was the subject of this assurance engagement.

Summary of work performed

The following specific work was performed in order to address the scope of work:

Preparatory

- Review financing agreements and related amendments to determine key financing terms and conditions application to the project.
- Review the Letter to the Borrower and related amendments to determine key financing terms and conditions applicable to the project.
- Obtain IFAD financial information related to the project from the IFAD finance officer, as may be appropriate and required.

Designated account statement(s) (page xxx)

- Confirm/agree that opening and closing bank balances (in USD and VND) disclosed on the designated account statement(s) agree to the bank account statement and that such balances reconcile with disclosures in the notes the financial statements.
- Recalculate the closing balance of the designated account statement (in USD and VND).
- Confirm/agree that the dollar denominated amounts disclosed have been accounted for in USD at the historical exchange rate, in line with the procedure as outlined in the IFAD Financial Administration Manual (available on IFAD website).
- Recalculate the foreign exchange gain / loss as included in the designated account statement and agree to the amount disclosed in the Statement of Cash Receipts and Payments.
- Agree replenishments / transfers and direct payments to the bank account statement and IFAD historical transaction information.
- Confirm amounts disclosed for withdrawal applications agree to the information disclosed on the withdrawal application summary.

Designated account reconciliation(s) (page xxx)

- Confirm the accuracy of the reconciliation.
- Confirm that the designated account has been managed in line with the provisions of the financing agreement / Letter to the Borrower.
- If applicable, review and determine the reasonability of the explanation for variance as disclosed on the designated account reconciliation.
- Agree disclosed amounts to supporting documentation (bank statements / IFAD historical financial information).

Withdrawal application summary

- Determine whether goods and services have been purchased through the SOE mechanism in line with the stipulated SOE threshold.
- Determine whether the expenditures claimed through SOE procedures were properly and appropriately authorized, classified and supported by audit documentation.
- Select a sample of withdrawal applications and confirm the accuracy of the disclosures to the underlying documentation submitted to IFAD.
 - Test a sample of project expenditure transactions from the withdrawal applications and confirming eligibility of expenditure / adequacy of supporting documentation. Summarise all ineligible expenditures identified in the conclusions section.

Fixed asset register (page xxx)

- Select a sample of fixed assets from the fixed asset register and confirm the accuracy and completeness of the information included in the fixed asset register.
- Select a sample of project assets from the floor and confirm that the asset is accurately recorded in the fixed asset register.

Community Group expenditure (Investment Projects)

- Select a sample of competitive grants made to Community Groups in line with investment projects.
- Design and perform procedures to confirm whether community group expenditure is made in line with approved investment projects and for eligible expenditure as defined in the financing agreement. (expenditure also included in the approved AWPB).
- Confirm beneficiary contributions (both in cash and in-kind)

Other

- Confirm the degree of compliance with the recipient's procurement policy and identify non-compliance.

Conclusions on procedures performed

[Summarise findings of procedures]

Management letter

Other issues related to internal control weaknesses are included in the management letter issued on xxx.

[Signed by engagement partner]

Statement of Cash Receipts and Payments

MINISTRY of AGRICULTURE PROJECT NAME LOAN NO: XXXXXXXX GRANT NO: XXXXXXXX STATEMENT OF CASH RECEIPTS AND PAYMENTS XX.XX.XXXX-XX.XX.XXXX (In Currency)			
		Current Year	Previous Tear
	NOTES	Receipts/Payments	Receipts/Payments
RECEIPTS	5		
IFAD LOAN			
IFAD GRANT			
GCF LOAN			
GCF GRANT			
GOVERNMENT CONTRIBUTIONS			
BENEFICIARY CONTRIBUTIONS			
TOTAL RECEIPTS			
PAYMENTS			
OPERATIONS			
Salaries and Allowances			
Vehicles and Operating Costs			
TRANSFERS			
Grants and Subsidies			
INVESTMENTS			
A-Civil Works			
B- Equipment and Materials			
C- Goods, Services, and Inputs			
D- Consultancies			
E-Trainings&Workshops			
OTHER PAYMENTS			
TOTAL PAYMENTS			
CASH BEGINNING OF YEAR			
INCREASE/(DECREASE) CASH			
CASH AT END OF YEAR			

Prepared by

Controlled by

Approved by

Finance Specialist

Finance Manager

Project Director

Budget to Actual Comparison

(Note: This disclosure is not mandatory in terms of IPSAS Cash given that the CRWIS budget is not publicly disclosed, however, IFAD requires this disclosure in terms of the IFAD Handbook on Financial Reporting and Auditing of IFAD-Financed Projects)

Name of recipient: _____ Grant number: _____

Name of project: _____

Reporting period from _____ to _____ in _____ (currency)⁴⁷

Description	Current semester			Year to date			Cumulative		
	Actual	Planned	Variance %	Actual	Planned	Variance %	Actual	Planned	Variance %
	1	2	3=1/2	4	5	6=4	7	8	9=7/8
Sources of funds									
IFAD grant – EU fund									
IFAD grant – Other									
Counterpart fund									
Other donor									
Total sources of funds									
Uses of funds									
1 By components									
1.1 List subcomponents									
2 By expenditure category									
2.1 List categories									
Subtotal									
Non-IFAD or EU									
Total uses of funds									

We hereby certify that the receipts from IFAD have been expended for eligible expenditures for the proper execution of the project, in accordance with the terms and conditions of the agreement dated _____

Name and title: _____

Date: _____

SOE preparation tips

- Include expenditures incurred by sub-grantees (if applicable).
- Use the same currency as specified in the grant agreement (euros are used if it is an EU grant).
- Signed by an authorized signatory.
- Current semester covers eligible expenditures (actual) and the semi-annual budget (planned) for the semester.
- Year-to-date covers eligible expenditures (actual) and the annual budget (planned) during the year.
- Cumulative-to-date covers eligible expenditures (actual) and total allocated budget (planned) from the beginning until the current semester.
- Include legal commitments.
- Disclose income generated from advance withdrawals.
- Specify whether expenditure was in cash or in kind.

Accounting policies

1. Definitions

- *Designated account* – Ring-fenced, foreign denominated bank account which is maintained on behalf of the entity. The entity may receive replenishments from the direct account in line with the working as outlined in the IFAD Disbursement Handbook.
- *IFAD* – International Fund for Agricultural Development
- *Revolving account* – An account which maintains a record of all cash advances made for staff or Project expenses which are either returned to the Project or justified by valid expenditure documentation.
- *Borrower* – The Borrower is the Government of Republic of Vietnam

2. Reporting entity

The financial statements are for CRWIS. The Project is managed centrally by PMB and has operations in various states which are reported on as a single entity.

3. Reporting period

These financial statements include a 12-month reporting period for the current and prior year with additional cumulative disclosure (from Project inception) provided in the notes where appropriate.

4. Basis of preparation

The financial statements have been prepared in accordance with the Standard. The entity complies with all the requirements as outlined in Part 1 of the Standard and as described in the accounting policies. In addition, the entity has elected to adopt the following recommended disclosures in line with Part 2 of the Standard:

- Payments of Third Parties on behalf of the entity (*refer 16. Voluntary Disclosure*)

5. Authorisation date

These financial statements have been authorised for issue by the Project Director on [xxx]. No events after this date are included in the financial statements.

6. Presentation currency and level of precision

The presentation currency is the local currency, USD. Where appropriate, the designated account balances are reported in USD. The amounts are displayed in million (VND) unless otherwise specified in the notes. Additional note disclosures may quote US Dollar amounts if loans or grants from financiers are denominated in US Dollar.

8. Comparative information

It must be noted that, due to the first-time adoption of the Standard, comparative results presented for the period ending xxx (and cumulative results where applicable) was not prepared in line with the Standard. Where practical and material, adjustments have been made to align prior period (and cumulative results) with the IPSAS Financial Reporting under the Cash Basis of Accounting

9. Composition of the annual financial statement

The financial statements comprise the Statement of Cash Receipts and Payments, the Budget to Actual Comparison and the notes. The notes include various other disclosures which are required by external financiers, including IFAD, which may

enhance fair presentation and accountability. Additional, supplementary information is indicated as such.

11. Control of cash

In line with the Standard, cash balances reported at the end of the reporting period include all cash which the entity can use or otherwise benefit from at the exclusion of other. Therefore, cash will include all IFAD designated account balances which are maintained in foreign currency (USD) to which access is restricted in line with the financing agreement entered into between the Recipient and IFAD.

12. Materiality and disclosure

The Project discloses material information separately on the face of the financial statements or in the notes. The materiality is assessed in line with the nature and amount of the item. In all instances, payments of third parties on behalf of the Project is considered material and disclosed separately. This will include payments made on behalf of the Project to third parties or received "in-kind". – refer "16. *Voluntary disclosure*"

13. Classification of transactions

Uses of cash receipts are disclosed in line with categories as defined in the Project financing agreements. Additional useful disclosures in terms of components are provided in the notes to the financial statements. Receipts of funds are disclosure based on the source of finance.

14. Foreign currency

Cash receipts and payments arising from transactions in foreign currency are incorporated in the financial statements Statement of Cash Receipts and Payments in VND by applying to the foreign currency amount the spot exchange rate between the reporting currency and foreign currency at the date of the receipts/payments. The spot rate is defined as the rate of exchange for immediate delivery.

Closing cash balances held in foreign currency are translated to VND the spot rate on the last day of the reporting period. Resulting foreign gains / losses are reported as a reconciling item on the Statement of Cash Receipts and payments. Further information with regard to the gains/losses per financier is disclosed in the notes.

[COMMENT ON USE OF FIFO]

15. Additional note disclosures – accrual basis

The notes to the financial statements provide additional information about liabilities and assets which are not presented on the Statement of Cash Receipts and Payments or Budget to Actual Comparison. These may include contingent liabilities related to suppliers, advance payments from contractors, staff loan receivable and any other material items which will enhance the fair representation of the financial statements.

16. Voluntary adoption of Part 2 of the Standard – Payments made to 3rd parties on behalf of the Project

In line with Part 2 of the Standard, the Project shall disclose payments made on its behalf to 3rd parties. For the Project, this disclosure deals specifically with payments made by the Recipient/beneficiaries for items such as salaries and xxx. Additional note disclosure is provided which outlines the total of such amounts for the period, the nature of activities paid for and the manner in which management has arrived at a value for such payments. In the event that management is of the opinion that the estimation or value may not be fully reflective of the total value received, this will be indicated in the notes.

Sources and uses of funds statement

		Current period	Previous period	Cumulative
Presentation currency		Local currency	Local currency	Local currency
Sources of funds				
IFAD	<ul style="list-style-type: none"> • Loans: replenishments • Loans: direct payments • Grants 			
Cofinanciers	<ul style="list-style-type: none"> • Financier A loan • Financier A grant • Financier B loan • Financier B grant 			
Borrower/recipient	<ul style="list-style-type: none"> • Borrower contributions: cash • Borrower contributions: in kind 			
Total sources of funds				
By category IFAD	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By category Cofinanciers	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By category Borrower/recipient	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By category Other	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By component				
By component IFAD	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By component Cofinanciers	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By component Borrower/recipient	<ul style="list-style-type: none"> • Category 1 • Category 2 			
By component Other	<ul style="list-style-type: none"> • Category 1 • Category 2 			
Total uses of funds				
Surplus/deficit				

Preparation tips

- Present the cumulative period covering the full project period.
- Present the uses of funds in terms of categories and components (as specified in the financing agreement).
- Present loans and grants separately.
- Present sources separately for each financier.

Designated account statements

			US\$ (or as otherwise denominated)	Local currency equivalent (optional)
Opening balance	Notes		A	A
Add:				
1 IFAD replenishments:				
Date	WA No	XXX		
Date	WA No	XXX		
			B	B
2 Bank interest				
			C	C
Deduct:				
1 Transfers to operating accounts:				
Date	XXX			
Date	XXX			
			E	E
2 Bank charges				
			F	F
3 Exchange rate differences				
				G
Closing balance			A+B+C-E-F	A+B+C-E-F-G

Designated account reconciliations

For the year ended 20XX

IFAD financing agreement number: _____

Bank account number: _____

	Denomination currency	Local currency (if applicable)			
Section 1					
1 Total advanced by IFAD	A				
2 Less total amount recovered by IFAD	-B				
3 = Outstanding amount advanced by IFAD	C				
Section 2					
4 Balance of Designated Account according to the bank statement					
5 Plus balance of operating accounts	D				
Plus cash on hand	E				
= Total bank balances as at xxxx	= D+E				
6 Plus amount claimed in this application	+F				
WA xx					
WA xx					
7 Plus amounts withdrawn and not yet claimed	+F				
WA xx					
WA xx					
Provide reasons for not yet claimed.	G				
8 Plus amounts claimed in previous applications and not yet credited at the bank statement date, or claimed after the bank statement date	+F				
<i>Application number</i>		<i>Date</i>	<i>US\$</i>	<i>Amount</i>	
			US\$	0	
			US\$	0	
		US\$	0	H	
9 Less: interest earned	I				
10 = Total advance accounted for (D+E+F+G+H-I)	=J				
11 Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)	G - J				
<i>Insert explanations</i>					

Date: _____ Signature: _____

Name in Full: _____

Title in Full: _____

Withdrawal application summary

For the year ended

Withdrawal application number	Date	Category 1 ⁴²	Category 2	Category 3	Total	Designated Account currency equivalent ⁴⁴	Value date ⁴³	Rejected by IFAD	Net reimbursed
		In local currency – xxx							
Section A: Payment method – Replenishment									
Approved withdrawals									
Pending submission									
Subtotal (A)									
Section B: Payment method – Reimbursement									
Approved withdrawals									
Pending submission									
Subtotal (B)									
Section C: Payment method – Direct payment									
Approved withdrawals									
Pending submission									
Subtotal (C)									
TOTAL									
(A+B+C)									

Preparation tips

- The Designated Account currency equivalent is determined using the historical exchange rate for transfers to the operating account.
- The subtotal for approved withdrawals should reconcile to the statement of receipts and payments (cash basis disclosure) and sources and uses of funds statement.

⁴¹ Applicable to projects under IFAD's General Conditions. For grants under the General Provisions for Grant Financing, refer to IFAD [Grant Forms](#).

⁴² Categories as outlined in schedule 2 of the financing agreement.

⁴³ The exchange rate value date is to be specified.

⁴⁴ The Designated Account currency is to be specified.

Fixed asset register

Financial Statements for the period ending 31/03/2022

FIXED ASSET REGISTER

Asset ref	Description	Source	Category	Location	Assigned to	Tag no	Supplier	Invoice no/Contract	Date of purchase	Date of receipt	Purchase price	Remarks
Asset code		Source of finance										Note on condition of asset

Notes to the financial statements

To clarify on the Notes reference numbers included in the financial statements and other Notes

Action tracker (supplementary)

Financial Statements for the period ending 31/03/2022

ACTION TRACKER						
#	Asset ID/FAD	Responsible (Accounting/Support)	Responsible person	Accountable engineering Agents	Current status	Duration

Financial: actual financial performance by financier; by component and disbursements by category

Table 1: Financial performance by financier (USD '000)

Financier	Appraisal	Disbursements	Percent disbursed
IFAD Grant			
IFAD Loan			
GCF Grant			
GCF Loan			
FAO			
Government			
Beneficiaries			
Total			

Table 2: Financial performance by financier by component (USD '000)

Component	IFAD Loan			IFAD Grant			GCF Loan			GCF Grant			Government			Beneficiaries		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%

FAO			Total		
Appraisal	Actual	%	Appraisal	Actual	%

Table 3: IFAD Loan disbursements (USD, as at [Insert date: dd-m-yy])

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I							
II							
III							
IV							
	Initial deposit						
	Total						

Present separate table for each IFAD managed finance facility (IFAD Loan, IFAD Grant) and for each GCF financing (Loan, Grant)

21.11 Vehicle and fuel documents

Waybill

PMB to add copy of the used/standard waybills

Itinerary list

Itinerary list for the period:

Driver:

Vehicle type:

Starting Speedometer reading _____ as at _____

Date	Time		Name	Trip purpose	Mileage, km		Signature	
	from	to			post	prior	Passenger	Driver

Starting Speedometer reading _____ as at _____

Vehicle History Record

Vehicle registration number _____

Assigned driver _____

Date	Repairs			Service & maintenance			Insurance			Fitness tests	
	Description of repair	Garage	Cost	Description of service	Garage	Cost	Type	Period covered	Cost	Check ed by	Cost

Report accidents in the space below, providing all relevant details for each occurrence:

Date:

Place:

Name of driver:

Circumstances:

Damage to project vehicle:

Damage to other vehicles:

Injuries (indicate name of victims and describe injuries):

Insurance settlement:

21.12 Implementing partners – MOU terms

To be used/amended as applicable.

PMB will enter into MOUs with other Implementing partners. The following recommended financial management roles and responsibilities are proposed for inclusion:

PMB shall:

- ✓ Provide financial management support to the implementing agency;
- ✓ Ensure that implementing agency performs its duties and enjoys rights indicated in the Memorandum.
- ✓ Provide financial management training at project start-up and annually thereafter in order to strengthen the financial management capacity of the implementing agency.

The implementing agency shall:

- ✓ Implement sound financial management practices and procedures to the satisfaction of the PMB.
- ✓ Ensure that all financial management staff responsible for dealing with the CRWIS attend financial management training (hosted by PMB) at project start-up and annually thereafter.
- ✓ Ensure that a qualified and experienced ACCOUNTANT is responsible for dealing with the financial management aspects of the CRWIS for the duration of the MOU.
- ✓ Inform the PMB CA of any finance staff vacancies.
- ✓ Perform an annual financial management self-assessment (questionnaire template to be provided) and submit the results to the PMB CA. Cooperate with the PMB CA to address identified shortcomings within a specified timeframe.
- ✓ Assist the PMB with the annual budgeting process by preparing a budget for the component/sub-component which it is required to implement. For this purpose, the PMB CA will provide a budget template which should be used. In addition, strictly adhere to deadlines for submission of inputs.
- ✓ Retain all project related document (invoices, bank statements, supporting documentation) for inspection. Documents should be retained in line with the terms and conditions as outlined in the IFAD General Conditions for Agricultural Development Financing.
- ✓ When required, submit written request for funds in line with the template included in the FMFCL & [21.14](#). Written requests should be signed by the duly authorized representatives. Request letters should clearly indicate the related budget activity as included in the PMB approved AWPB (and related procurement plan).
- ✓ Prepare and submit a monthly report for IFAD in line with the template included in [21.13](#). Attach original bank statements and original supporting invoices/documents to the monthly report (documents to be returned after review by PMB).
- ✓ Use the monthly report to IFAD for the purposes of internal monitoring of budget to actual performance. Take corrective action as required.
- ✓ Respond to queries / resubmit information as requested by the PMB Disbursement Officer or CA in a timely manner.

21.13 Monthly reporting template – Implementing partners

MONTHLY REPORT – IMPLEMENTING AGENCIES/NGO											
Month _____											
Implementing agency/NGO: _____											
Contract date: _____											
Project _____						CASP+					
Tajikistan Somoni											
He category	Component/ Sub- component	He	Items of expenses	Supporting document ref	amount	IFAD		GCF		Government	
						Grant	Loan	Grant	Loan	Grant	Loan
		I	Balance at the beginning		-	-	-	-	-	-	-
		1	Bank		-						
		2	Petty cash		-						
		II	Advance		-	-	-	-	-	-	-
		1	Transfer		-						
		2	By cash		-						
		III	Expenses		-	-	-	-	-	-	-
		1			-						
		2			-						
		3			-						
		4			-						
		5			-						
		6			-						
		7			-						
		8			-						
		9			-						
		IV	Balance at the end		-	-	-	-	-	-	-
		1	Bank		-						
		2	Petty cash		-						

Director _____ Accountant _____ stamp _____ Date: _____	Checked _____ Disbursement specialist _____ Date: _____
--	---

Submit the report together with copies of bank statements, petty cash reconciliation, invoices, supporting documentation. Cross-reference supporting documentation to report.

Report I: AWPB and Cash Forecast for next 2 quarters

Country: Vietnam

Name of the Project: Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)

IFAD Instrument number:

List other instruments if applicable

Expressed in Designated Account Denomination Currency

Currency:
USD

For the Period:

Starting Date

To

End Date

	IFAD Instrument n. (add more columns for other instruments)						
	Ref.	Annual Allocations A	Actual cash outflow as of (current. Qtr. End)... B	Annual Balance C = A-B	Cash Forecast Next Quarter D	Cash Forecast Following Quarter E	Total Cash Forecast for the two quarters F = D+E
Category: 1 Works							
Total	I	-	-	-	-	-	-
Component: 1 Component 1. Water infrastructures 2 Component 2. Strengthening climate adaptive capacity 3 Component 3. Project management							- - -
Total	II				-	-	-
Total Cash Forecast Expenditure	III				-	-	
Less: Planned Direct Payments/Reimbursements	IV						-
Net forecast expenditure from DA	V=III-IV				-	-	-

Opening balance available funds (DA+Project Banks +petty cash)	VI				
Forecast: DA Replenishments (After reducing Advance Recovery if any)	VII				
Projected closing balance	VIII=VI-V+VII				-

Note 1: (VII) may be higher than (V) when there is need to have an extra amount in the DA to cover potential delays in future disbursements

Note 2: The AWPB data covers Project Financial Year. Please note that Cash forecasts are rolling for next 2 quarters, which may not be within the same Financial Year for the 1st and 4th quarter.

Note 3: In Role VII, if a part of the advance is to be recovered in the period prior to Project Completion, reduce the recovery amount proposed.

Date

Approver Name

Approver Signature

Report II: Summary of Sources and Uses of Funds - DA Account

Country: Vietnam

Name of the Project: Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)

IFAD Instrument number:

List other instruments if applicable

For the Period: Starting Date To End Date

Currency:

	Ref.	IFAD Instrument n. (add more columns for other instruments)		
Opening Balance Reporting Quarter: DA				
Opening balance Operating / Project account(s)				
Opening Balance Petty cash				
Opening Balance Total Funds available	I	-		
Funds Received	II			
Total Funds Available	III=I+II			
Uses of Funds by Category:		Actual expenditures Quarter	Actual expenditures YTD	Actual expenditures Inception To Date
Works		-	-	-
		-	-	-
		-	-	-
Total Funds Used	IV	-	-	-
Funds Closing Balance (I minus II):	V=III-IV	-		

Represented by:

- DA Closing Balance
- Operating account Closing Balance
- Petty cash Closing Balance

Uses of Funds by Component		Actual expenditures Quarter	Actual expenditures YTD	Actual expenditures Inception TD
Component 1. Water				

infrastructures		-	-	-
Component 2. Strengthening climate adaptive capacity		-	-	-
Component 3. Project management		-	-	-
		-	-	-
Total Funds Used (must equal II)	VI	-	-	-

Note 1: this Form to include IFAD Financing & Other Financing that is administered by IFAD

Note 2: Total IV must equal Total II

Note 3: If figures are stated in the functional / reporting currency that is different from DA currency, please show equivalent figures in DA currency in additional columns, using forex rates applied on FIFO basis as disclosed.

Date

Approver Name

Approver Signature

Report III: Designated Account Activity Statement

Country: Vietnam

Name of the Project: Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)

IFAD Instrument number:

List other instruments if applicable

For the Period:

Starting Date

To End Date

Expressed in Designated Account Denomination Currency

Notes

PART I (Advances and Expenditure)		
1. Cumulative Advances by IFAD to the end of current Reporting period / quarter		Total advances received from IFAD (into the DA or equivalent in Govt. Treasury) to the end of current reporting period / Quarter. State last WA Number and Date through which advance was received
2. Cumulative Expenditure justified by IFAD since project start till the beginning of Reporting Quarter		Total Amount of eligible Project expenditure justified / Reported in IFRs till previous quarter end. This should <u>not</u> include direct payments / reimbursements to other accounts if any
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)		This balancing figure should be matched to IFAD's Loan Account record
PART II (Designated Account - DA - Activity)		
4. DA balance at beginning of Reporting Quarter		Match to Report II (Ref. I)
5a. Advances disbursed by IFAD during the Reporting Quarter		To support this figure, please attach a List of WAs processed by IFAD.
5b. Add/Subtract cumulative adjustments, if any		This may be reconciling items, e.g. funds recalled or any refund of ineligible expenditures during the quarter, if any.
5c. Total amount of Advances received during current reporting Quarter, net of adjustments (Line 5 plus Line 5b)		
6. Outstanding Advances to be accounted for (Line 4 plus Line 5c)		This is the total amount to be justified / accounted for. This should normally be same as Line 3. If not, difference to be explained in notes below
7. DA balance at end of Reporting Quarter		Match to Report II (Ref. I)
8a. Expenditure incurred during the Reporting Quarter		Match to Report II (Ref. II)

8b. Add/Less Adjustments, if any		This may be reconciling items, e.g. WAs submitted but not yet justified / recorded by IFAD at quarter-end. Adjustment details to be noted below
8c. Total expenditure reported (net of adjustments) Expenditure (Line 8a plus 8b)		Match to Report II (Ref. II)
9. Total Advance accounted for: Add Line 7 and Line 8c		This should normally be same as Line 3 and Line 6. If not, difference to be explained in notes below
10. Difference if any (Line 6 minus Line 9)		This represents advance that has not yet been explained. This should ideally be zero. If not, explain reconciliation in note below
PART III (CASH FORECASTS and REPLENISHMENT REQUIREMENT)		Match all figures to Report I
11. Net Forecast Spend from Designated Account		Figures from Report I (REF V). This excludes planned direct payments and Reimbursements)
12. Replenishment Requirement for Subsequent 2 Reporting Quarters		Figures from Report Ref VII
13. Advance Recovery, if any		Recovery will be processed during the 6 months preceding the Completion Date
14. Disbursement requested this quarter		Give WA Reference Number

NOTES

<i>Explanation for item 5b (if not zero):</i>	IFR, WA Ref
<i>Explanation for item 8b (if not zero):</i>	IFR, WA Ref
<i>Explanation for item 10 (if not zero):</i>	IFR, WA Ref

Note 1: IF the Reports II and II are in functional currency other than the DA currency, equivalent amounts in DA currency in this report and Report I should be prepared using forex rates on a FIFO basis

Date

Approver Name

Report IV: Variance Analysis of Use of Funds by Quarter

Country: Vietnam

Name of the Project: Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)

IFAD Instrument number:

List other instruments if applicable

Reporting period:

Currency

	IFAD Instrument (add more columns for other instruments)			
	Planned (AWPB)	Actual	Variance*	
	A	B	C = A-B	D=C/A (%)
Expenditure by Categories: Works				
TOTAL I				
Expenditure by Components: Component 1. Water infrastructures Component 2. Strengthening climate adaptive capacity Component 3. Project management				
TOTAL II				

* Note 1: Provide reasons if the quarterly variances are equal to or more than 10%

Note 2: Figures in column B (Actuals) should match corresponding figures in Report II and III

Report V: Variance Analysis of Use of Funds - FY

Country: Vietnam

Name of the Project: Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)

IFAD Instrument number:

List other instruments if applicable

Reporting period:

Currency

	IFAD Instrument (add more columns for other instruments)			
	Planned (AWPB)	Actual	Variance*	
	A	B	C = A-B	D=C/A (%)
Expenditure by Categories: Works				
TOTAL I				
Expenditure by Components: Component 1. Water infrastructures Component 2. Strengthening climate adaptive capacity Component 3. Project management				
TOTAL II				

* Note: Provide reasons if the variances are equal to or more than 10%

Note 2: Figures in column B (Actuals) should match corresponding figures in Report II and III

Note 3: Planned figures in Column A should be adjusted for phasing up to the reported quarter

Report VI: Variance Analysis of Use of Funds - Cumulative

Country: Vietnam

Name of the Project: Climate Resilient And Inclusive Water Infrastructure For Rural Smallholders In Thanh Hoa And Nghe An Provinces (CRWIS)

IFAD Instrument number:

List other instruments if applicable

Reporting period:

Currency

	IFAD Instrument (add more columns for other instruments)			
	Planned (AWPB)	Actual	Variance*	
	A	B	C = A-B	D=C/A (%)
Expenditure by Categories:				
Works				
TOTAL I				
Expenditure by Components:				
Component 1. Water infrastructures				
Component 2. Strengthening climate adaptive capacity				
Component 3. Project management				
TOTAL II				

* Note 1: Provide reasons if the variances are equal to or more than 10%

Note 2: Planned expenditure in Column A should be cumulative of all approved AWPBs to date, adjusted for phasing to the reported quarter

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Moderate	Moderate
<i>Fragility and Security</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Macroeconomic</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Governance</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Political Commitment</i>	<i>Low</i>	<i>Low</i>
Sector Strategies and Policies	Moderate	Moderate
<i>Policy Development and Implementation</i>	<i>Low</i>	<i>Low</i>
<i>Policy alignment</i>	<i>Moderate</i>	<i>Moderate</i>
Environment and Climate Context	Substantial	Substantial
<i>Project vulnerability to climate change impacts</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Substantial</i>
Project Scope	Moderate	Moderate
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Relevance</i>	<i>Moderate</i>	<i>Moderate</i>
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
<i>Monitoring and Evaluation Arrangements</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Implementation Arrangements</i>	<i>Moderate</i>	<i>Moderate</i>
Project Financial Management	Substantial	Substantial
<i>Project External Audit</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Budgeting</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Organization and Staffing</i>	<i>Moderate</i>	<i>Moderate</i>
Project Procurement	Moderate	Moderate
<i>Public Procurement Processes</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Capability in Public Procurement</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Legal and Regulatory Framework</i>	<i>Moderate</i>	<i>Moderate</i>
Environment, Social and Climate Impact	Moderate	Moderate
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Greenhouse Gas Emissions</i>	<i>Low</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Community health, safety and security</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Indigenous People</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Cultural Heritage</i>	<i>Moderate</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Moderate</i>

Risk Category / Subcategory	Inherent risk	Residual risk
Stakeholders	Low	Low
<i>Stakeholder Grievances</i>	<i>Low</i>	<i>Low</i>
<i>Stakeholder Engagement/Coordination</i>	<i>Low</i>	<i>Low</i>
Overall	Moderate	Moderate

Country Context	Moderate	Moderate
<i>Fragility and Security</i>	<i>Moderate</i>	<i>Moderate</i>
<p>Risk:</p> <p>Vietnam is highly exposed to climate change induced shocks and extreme events. The political system is robust.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Government institutions are well organized and experienced in mitigating disasters. The project's integrated approach to supporting resilience of irrigation and rural infrastructure as well as agricultural sector will help address various economic and environmental shocks. For instance, the project will build institutional capacity and improve coordination mechanism for integrated water management to anticipate and reduce flood / drought risks.</p>		
<i>Macroeconomic</i>	<i>Moderate</i>	<i>Moderate</i>
<p>Risk:</p> <p>Vietnam's economic success risks it outgrowing its current market and natural resource management institutions and governance. This appears to be the main obstacle to sustained agricultural growth in the next five years and possibly beyond. Efforts to stimulate the economy through tax breaks and accommodative monetary policy have faced diminishing returns, while raising fiscal deficits and creating new contingent liabilities. Without accelerating structural reforms, Vietnam faces the risk of a prolonged period of slow growth.</p> <p>Additionally, the potential impact of market fluctuations, such as changes in market demand, inflation, or the uncertainty funding sources (e.g., due to emerging or existing calls on the government budget) might impact project viability.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project will directly contribute to Vietnam's Agricultural Restructuring Program, through facilitation of the transition and transformation of the economy outlined in national strategies. Specifically:</p> <ul style="list-style-type: none"> From reducing exposure to climate change and environmental risks to adapting to CC constraints; From increased productivity and production to higher quality, yield stability and value-add to agriculture products; From creating direct agricultural employment to creating rural employment both on farm and off farm. <p>Some agricultural cooperative and farmer level measures, e.g., contracts with agribusiness or choice of certain higher value products could mitigate impacts of price risks. Similarly, shifts to organic manure and increased productivity (per hectare of land or per unit of input) could mitigate input cost increase due to inflationary pressures.</p>		
<i>Governance</i>	<i>Moderate</i>	<i>Moderate</i>

<p>Risk:</p> <p>Governance systems are in place and functioning well. Corruption is a concern, albeit recent policies brought improvements. Indicators of perceived corruption improved significantly following a scaled-up anti-corruption campaign in recent years. However, further efforts could be taken to strengthen governance in several areas, including through the ongoing development of the national database on asset and income. Other reforms include making laws and administrative processes clearer, simpler, and more transparent to provide greater legal certainty, and reduce scope for excessive discretion by public officials. Addressing shortcomings on AML/CFT will require, among other actions, increasing risk understanding and risk-based supervision, improving domestic coordination and international cooperation, identifying ultimate beneficial owners, and enacting other amendments to bring the current framework closer to best international practices.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>IFAD exercises close supervision and audit of project expenditures and processes. Project-specific controls incorporated in the PIM will help minimize governance risks. In particular, the Project Steering Committee (PSC) will be the essential decision-making body for the project, and the project procurement activities will be subject to IFAD procurement procedures.</p>		
<p>Political Commitment</p>	Low	Low
<p>Risk:</p> <p>Government is unable to provide the resources for implementation of the NTPs, OCOP, and the Prime Minister Resolution 13/NQ-CP, and Decision 150/QĐ-TTg, dated January 2022, approving the strategies for Sustainable Agriculture and Rural Development for 2021-2030, with a Vision to 2050.</p> <p>Shifts in government policies (and lack of clarity on policy implications for design), leadership, or the local political climate influence project approval and community support, potentially leading to delays or even cancellation.</p>	Low	Low
<p>Mitigations:</p> <p>Include explicit text in the Financing Agreement on counterpart funding (including district levels) and loan recovery.</p> <p>The Project Steering Committees under the Provincial People's Committees are expected to ensure the Government's interest and involvement in the project, as well as coordination for resource mobilisation and public fund commitment.</p>		
<p>Sector Strategies and Policies</p>	Moderate	Moderate
<p>Policy Development and Implementation</p>	Low	Low
<p>Risk:</p> <p>Lack of coordination between the project and other ODA initiatives, policies and programmes such as Agricultural Restructuring Plan, NTPs, OCOP in the target provinces. In addition, there is risk of insufficient skilled and efficient contractors and service providers to implement the project in a cost-effective manner, especially in the context of REDD+ related activities.</p>	Low	Low
<p>Mitigations:</p> <p>CRWIS promotes institutional linkages through improving coordination mechanism with other programmes and policies at provincial and district levels and establishing 4P platforms to support selected key value chains .</p> <p>IFAD engaged at design stage and will collaborate closely during implementation with several agencies including FAO, UN Women, JICA, WB, ADB to ensure harmonization of approaches, no duplication and synergies in the target provinces. Rigorous screening and investigation of potential contractors prior to engagement can tackle this risk adequately. The experience and lessons learnt gained by IFAD in Viet Nam in this respect remains vital.</p>		

Policy alignment	Moderate	Moderate
<p>Risk:</p> <p>Vietnam has become a lower middle-income country, graduating to less concessional ODA in-flows from IDA-terms in 2017. GoV has put in place new policies on ODA financing (114/2021/NĐ-CP, dated 16 December 2021; 20/2023/ND-CP dated 04 May 2023) that reflect the new situation, and has repercussions for IFAD's investment approach in the country. IFAD's most successful instruments and approaches of the past cannot be scaled-up unless non-lending resources can be mobilized.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project design is fully aligned with the Vietnam's Agricultural Restructuring Plan, the New Rural Development Program, the NTP for sustainable poverty reduction (SPR), the NTP for Ethnic minorities, and the OCOP program to which non-lending resources will be significantly mobilized from these programmes. Additionally, the ICO is engaging with different bilateral and multilateral agencies to mobilize additional resources/grants to finance "soft" activities complementing infrastructure development.</p>		
Environment and Climate Context	Substantial	Substantial
Project vulnerability to climate change impacts	Substantial	Substantial
<p>Risk:</p> <p>The SECAP Review Note classifies the Project as Substantial under the Climate Risk category. The project area is at significant risk of droughts and floods as well as landslides, saline intrusion (specific to Thanh Hoa), extreme heat, storms and typhoons, and coastal and riverbank erosion.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>The mitigation measures include:</p> <p>(1) provincial agencies and districts studies/mapping of climate impact, vulnerability, risks & climate change action plan (CCAP) priorities – with a focus on water management and flood protection;</p> <p>(2) project investment in selected CIEWS equipment to provide early warning and climate-informed agricultural advisories (through improved communication and joint development of advisories by DARD and DONRE);</p> <p>(3) integration and down-scaling of provincial-level, medium- term CC impact scenarios with district and commune-level identification of vulnerable areas, production systems, and populations;</p> <p>(4) technical workshops for CC integration in the value chains and training on climate-smart agriculture for farmers and extension officials;</p> <p>(5) integration of climate change risks into final selection of project value chains.</p>		
Project vulnerability to environmental conditions	Substantial	Substantial

<p>Risk:</p> <p>The SECAP Review Note classifies the Project as Substantial/High Environmental and Social Risk. The E&S rating was determined on the basis of potential for</p> <p>(1) economic loss to farmers and compensation mechanisms triggered by infrastructure works (upgrade of canals, dykes, roads);</p> <p>(2) land acquisition and associated rehabilitation / compensation mechanisms triggered by infrastructure works (upgrade of canals, dykes, roads);</p> <p>Households affected by (1) and (2) may exceed 100 in number.</p> <p>(3) the command areas of Thanh Hoa irrigation schemes exceed 100 hectares. Additionally, E&S ratings were informed by other potential risks such as</p> <p>(4) historical water pollution through inappropriate use of agro-chemicals by farmers (own purchase and use; the project will not procure or promote agro-chemicals);</p> <p>(5) historical poor domestic waste management practices resulting in water contamination in irrigation channels;</p> <p>(6) potential structural failures of irrigation infrastructure due to weather and extreme climate events (floods, flash floods, landslides, etc.) and associated coastal and riverbank erosion;</p> <p>(7) historical environmental pollution with impacts on human health and agricultural due to aquaculture and sand mining in Thanh Hoa province.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>These potential adverse impacts can be prevented or alleviated by appropriate actions and mitigation measures as described in the Environment and Social Management Plan (ESMP). Additionally, assessments and stakeholder consultations (for example, to produce the Resettlement Action Plan) during the feasibility study will elaborate and agree on additional mitigation measures needed.</p>		
<p>Project Scope</p>	Moderate	Moderate
<p>Technical Soundness</p>	Moderate	Moderate
<p>Risk:</p> <p>1. The main project activity consists in irrigation development, mainly through pressurized systems. In some sites, access to water and to energy may become a challenge and the pumping costs are already substantial, and may increase in the next years. If GoV/provincial funding is delayed or is not sufficient, the risk is that beneficiary farmers will be unable to meet the challenge and that the schemes would be unsustainable. A further risk is that the current tariff for electricity may increase.</p> <p>2. There is a possibility that rapid technological advancements or deviation in climate change scenarios could make some project components and design of infrastructure outdated or introduce more efficient and climate- or environment-friendly methods, necessitating changes in project execution strategy.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>(i) Drawing attention and strong commitment of PPC to the timely and sufficient allocations of funds, to pre-finance eligible project expenditures and adequately sustain the irrigation companies to cover pumping costs;</p> <p>(ii) Ensuring that Technical Feasibility and Engineering Studies at early implementation have comprehensive TORs (e.g., requiring that climate trends and forecast assumptions are revisited) and have adequate time for landscape scanning/consultations) and that procurement procedures to select feasibility studies/design consulting firms should not be restricted to financial offers adequacy and be extended to the quality/soundness of the technical aspects to ensure study/design technical soundness and quality.</p>		
<p>Project Relevance</p>	Moderate	Moderate

<p>Risk:</p> <p>To carry out infrastructure works (Component 1), the project must comply with the procedures prescribed by the law on construction investment. Consequently, infrastructure works might observe delays, affecting part of the activities of Component 2. There will be concerns on likelihood of achieving the PDO and low progress or outcomes of component 2.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The PMUs will need to:</p> <ol style="list-style-type: none"> 1. implement a phased approach in infrastructure development while ensuring realistic targets when planning and budgeting the first years activities. 2. Early Planning and Approval: Initiate the planning and approval process for infrastructure works well in advance. This proactive approach can ensure that even if there are delays in component 1, they don't significantly overlap or interfere with the timelines of component 2. Feasibility and engineering studies as well as procurement planning for the infrastructure works are frontloaded 3. Parallel Implementation: Where feasible, start with preparatory activities which are independent from Component 1 progress (such as CIEWS and flood risk maps, multi-stakeholder surveys, establishment of Farmer Field Schools, establishment of 4P platforms) even before infrastructure works of component 1 are completed. This way, the groundwork is laid, and immediate action can be taken once component 1 is ready. 4. Engage regularly with stakeholders and provide them with updates. Clear communication can manage expectations and reduce concerns about progress. It's essential for stakeholders to understand the dependency between the components and potential for delays. 5. Robust Monitoring & Feedback Mechanisms: Implement a strong monitoring system that can quickly identify potential delays and bottlenecks in Component 1 and assess their implications for the remaining project activities. This system can allow for timely adjustments and re-prioritization of activities if needed. 6. Capacity Building and Training: Equip the PMU with the necessary training and resources to understand and swiftly navigate the law on construction investment. Familiarity with the requirements can reduce the time taken for compliance. 		
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
Monitoring and Evaluation Arrangements	Moderate	Moderate
<p>Risk:</p> <p>Inadequate M&E system for planning and monitoring. Poor coordination between involved implementing agencies. Insufficient financial resources to undertake M&E activities from GoV counterpart funding.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>M&E system will be embedded in the project management information system (MIS), allowing real-time reporting and coordination between several co-implementing agencies. Grant financing including from AF will be mobilised to ensure key M&E and knowledge management interventions will have dedicated financial resources.</p>		
Implementation Arrangements	Moderate	Moderate

<p>Risk:</p> <p>(i) Lack of adequate human and financial resources. Challenges in terms of coordination capacities and costs considering the size of PMU, the number of partners including several financing partners with potential different reporting and planning requirements</p> <p>(ii) The project will be implemented on a large scale, with the participation of many provincial departments, district and commune agencies, so there are concerns about the ability to coordinate project activities. The required inter-sectoral, inter-district coordination is new to various departments/agencies which may not have the required capacity.</p> <p>(iii) Financing gap: The financing gap represents ~12% of total project cost. If the gap is not filled, project will lack financial resources to invest in committed activities.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>(i) Provincial governments and line agencies have committed sufficient funds for capacity building. CSAT will seek for additional funds such from the NTPs and OCOP. CWRIS's PIM outlines implementation requirements in a step by step approach.</p> <p>The proposed institutional arrangements are based on the foundation provided under the previous IFAD projects in the region. These projects have demonstrated a solid track record of delivery of even complex tasks across province, district and commune structures. This will ensure that project activities will be properly mainstreamed in the provincial government programmes of work.</p> <p>(ii) PSC shall request the DARD, DONRE and DPI to select and appoint a competent staff with full-time capacity to be responsible for coordinating these activities. IFAD shall provide a template of job description and required qualifications for this position.</p> <p>(iii) IFAD has worked with various potential donors including the EU and JICA. Potential to have those donors to cover the gap is high. Further, CWRIS is designed to work closely with NTPs, OCOP, and private sectors (through the 4P), additional resources can be mobilized from those programs and partners to cover the gap.</p>		
<p>Project Financial Management</p>	Substantial	Substantial
<p>Project External Audit</p>	Substantial	Substantial
<p>Risk:</p> <p>Auditor may delay audit submission due to resource constraints.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>- PMUs will appoint auditors before the end of a financial year to be audited</p>		
<p>Project Accounting and Financial Reporting</p>	Substantial	Substantial
<p>Risk:</p> <p>Accounting records must be maintained for all implementing partners in provincial districts in one accounting software.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>- Customization of BICTIME/SMARTBOOK accounting software for accounting record keeping, financial reporting and accounts reconciliations.</p> <p>- PMUs will develop tailored TORs for accountants to ensure that responsibilities for accurate accounting records for implementing partners are clearly defined and communicated.</p>		
<p>Project Internal Controls</p>	Substantial	Substantial
<p>Risk:</p> <p>There are potential internal control weaknesses for managing large scale infrastructure contracts. Work completed will be challenging to assess and verify.</p>	Substantial	Substantial

<p>Mitigations:</p> <ul style="list-style-type: none"> - the development of PIM and FMM with clear roles for supporting documents filing and accounting record keeping for all implementing partners. - PMUs will follow rigorous government regulations for assessing and accepting work done for infrastructure contracts. - PMUs will employ experienced engineers to assess and verify infrastructure work. 		
<p>Project Funds Flow/Disbursement Arrangements</p>	Substantial	Substantial
<p>Risk:</p> <p>IFAD funds will be disbursed to DA opened in a provincial bank branch. PA will be used to convert funds from DA to PA and then to pay suppliers. Several grant funds are needed to finance soft project expenditures and each one will require specific funds flow arrangements depending on donor requirements. Financing gap may affect other project categories and overall project implementation.</p>	Substantial	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> - PMUs/PMBs will make sure all donor requirements for funds flow are well understood and duly followed. - PMUs will work closely with the IFAD team to develop internal procedures to meet all donor requirements. - IFAD will develop alternative plans in case initial plans for financing gap filling do not materialize 		
<p>Project Budgeting</p>	Moderate	Moderate
<p>Risk:</p> <p>Budgeting will follow government regulations. Collecting budgets for all implementing partners and sending them to PPC approval timely will be challenging task. IFAD funded projects in the country have in the past had difficulties complying with ODA laws and budget regulations.</p>	Moderate	Moderate
<p>Mitigations:</p> <ul style="list-style-type: none"> - PIM/FMM will have clear roles and responsibilities for budgeting and timelines. - PMU will set up a budget team to ensure timely and realistic preparation of AWPBs. - PMU will monitor relevant ODA and budget regulations requirements and take necessary steps in advance to comply with them to ensure timely and sufficient budget allocations for the project. 		
<p>Project Organization and Staffing</p>	Moderate	Moderate
<p>Risk:</p> <p>Vietnam has a good system and schools to train accountants and finance professionals. Regions have experienced accountants. However, all regional accountants do not speak English and translator services will be required.</p>	Moderate	Moderate
<p>Mitigations:</p> <ul style="list-style-type: none"> - Appoint accountants experienced in the WB-funded project operations responsible for the IFAD project. - PMUs will ensure the required translation services are available for communication with IFAD. 		
<p>Project Procurement</p>	Moderate	Moderate
<p>Public Procurement Processes</p>	Moderate	Moderate

<p>Risk:</p> <p>Procurement processes and market structures (methods, planning, bidding, contract award and contract management) are inefficient and/or anti-competitive, resulting in the misuse of project funds or sub-optimal implementation of the project and achievement of its objectives. Budget allocations are not always appropriate in a timely manner.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Carry out coaching, on-the-job trainings and refresher trainings on procurement (IFAD project procurement guidelines and manual, ICP-CMT system, OPEN system, and SECAP requirements). PMUs monitor implementation progress of the procurement plan and regularly update with both planned and actual data. IFAD provides regular supports, prior and post reviews, and close supervision.</p>		
Capability in Public Procurement	Moderate	Moderate
<p>Risk:</p> <p>The implementing agencies are new with IFAD projects and procurement procedures and do not have sound processes, procedures, systems and personnel in place for the administration, supervision and management of contracts resulting in adverse impacts to the development outcomes of the project.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Recruit procurement professionals to support full time and intermittently. Provide training and periodic coaching to project procurement staff. Procurement staff are to be trained on SECAP and ensure the compliance of SECAP requirements. IFAD supervision missions to review and check the compliance.</p>		
Accountability and Transparency	Moderate	Moderate
<p>Risk:</p> <p>Accountability, transparency and oversight arrangements (including the handling of complaints regarding, for example, SH/SEA and fraud and corruption) are inadequate to safeguard the integrity of project procurement and contract execution, leading to the unintended use of funds, miss-procurement, SH/SEA, and/or execution of project procurements outside of the required time, cost and quality requirements.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Apply e-Procurement for goods/work/service packages where applicable. Request bidders and contractors signing the Self-Certification Forms on anticorruption, sexual harassment, sexual exploitation and abuse as a part of bids/proposals and contract documents. Periodic oversight missions and audits are in place to mitigate potential issues. Conduct prior and post reviews to strengthen enforcement of the debarment system. Potentially strengthening effective administrative sanctions and criminal prosecution for prohibitive practices. Enforcing legal protection or whistleblower protection. Apply FIRCO check on bidders and vendors in post and prior review cases. Government officials involved in public procurement shall be requested to sign on the Codes of conduct/codes of ethics.</p>		
Legal and Regulatory Framework	Moderate	Moderate
<p>Risk:</p> <p>The Borrower's regulatory and institutional capacity and practices (including compliance with the laws) are inadequate to conduct the procurement in a manner that optimizes value for money with integrity. There are some constraints on applicable procurement methods for consulting service (particularly CQS), thresholds for applying direct contracting, application of E-procurement for international bidding, and limited provisions on sustainable procurement.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>Periodically review the application of standard operating procedures for donor funded projects inference to the law and regulation. Review and clear project procurement plan (consolidated) encouraging the use of competitive procurement methods. Provide consolidated procurement information on project website (opportunities and awards). Use IFAD's standard RFP for CQS method. Use PAL to specify provisions for application of different procurement methods and direct contracting/single source selection. Promote green procurement through introducing sustainable public procurement criteria.</p>		
<p>Environment, Social and Climate Impact</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Vulnerability of target populations and ecosystems to climate variability and hazards</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk:</p> <p>Both target provinces are already significantly vulnerable to river floods and droughts, but also report heat waves and extreme temperatures, landslides in hilly and mountainous areas, flash floods, storms and typhoons, and saline intrusion (one coastal district of Thanh Hoa).</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations:</p> <p>The Targeted Adaptation Assessment identifies and prioritizes measures to reduce vulnerability and support climate resilience.</p>		
<p>Greenhouse Gas Emissions</p>	<p>Low</p>	<p>Low</p>
<p>Risk:</p> <p>Flooded rice production releases GHGs (particularly methane but also nitrous oxide). Support to rice cultivation, aquaculture, and livestock production (backyard or semi- commercial systems) may contribute to increased GHG emissions.</p>	<p>Low</p>	<p>Low</p>
<p>Mitigations:</p> <p>Some of the Climate-Smart Agriculture practices prioritized in the Targeted Adaptation Assessment include:</p> <ul style="list-style-type: none"> alternate wetting and drying or sustainable rice intensification; reclamation of manure to produce organic fertilizers, including through the use of composting drum; integrated fertilizer and pesticide management; climate-informed advisories to farmers with a focus on water-use efficiency. <p>All these measures possibly have mitigation co-benefits.</p> <p>It is also possible that women-led or women-owned agricultural cooperative liaise with private dairy enterprises, which produce large quantities of manure and have difficult in manure management, to produce organic fertilizer at scale and distribute in areas with shortage of livestock manure.</p>		
<p>Physical and Economic Resettlement</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk:</p> <p>It is anticipated that rehabilitation of existing canals and pumping stations/dykes require land acquisition. No physical resettlement is anticipated. During construction, it is estimated that 4,229 households will be affected temporarily in Nghe An, and 2,068 households in Thanh Hoa (averaging 31m2 per households). Temporary impacts are short duration, localized due to contractor's construction activities.</p>	<p>Substantial</p>	<p>Substantial</p>

<p>Mitigations:</p> <p>A Resettlement Action Framework has been prepared at design to guide FPIC and compensation payment for affected households. This was prepared in accordance with Standard 7, and in line with relevant national laws and regulations, including common practices widely adopted by other institutions such as the WB and the ADB.</p>		
<p>Community health, safety and security</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk:</p> <p>Overuse of chemicals and pesticides for production, procured by farmers, on their own which may affect water or soil resources. Inappropriate waste management and disposal (including, aquaculture production in Thanh Hoa) may affect water / soil quality and hence safety of crop production with impacts on human and livestock health. Other potential risks include:</p> <ul style="list-style-type: none"> • Traffic Safety. Construction activities (uneven road, material stockpile, earthwork, open holes...) may cause traffic accident for people passing by, particularly road rehabilitation. • Contracting/spreading of communicable disease. Close and daily interaction among workers, and between workers and community members (eating/buying things in local shops) may increase risks of communicable diseases. • Risks related to SEA/SH due to labor influx, and also related to: 1) Female project workers, including a) PMU staff, b) local workers, and c) community workers 2) Female community members who are beneficiaries. • Social Conflicts between influx of labor and local people 	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations:</p> <p>Since the project aims at increasing climate resilience, climate-smart agriculture practices aiming at reducing the use of chemical fertilizers and pesticides will be supported throughout activities. Existing government programs on waste management will be strengthened and leveraged. Train vulnerable/disadvantaged group in first meeting. Repeat as needed in subsequent meeting (post-training evaluation).</p> <p>Mitigation measures for SEA/SH include the following key aspects:</p> <ul style="list-style-type: none"> Increasing awareness for groups at risk. Conduct training for risk groups, particularly female community members and female members of vulnerable/disadvantaged groups. Explicitly state zero tolerance for sexual harassment, exploitation, and abuse within the workplace. Project workers to peruse and sign Worker's Code of Conduct for SEA/SH (See ESCMF) Children prohibited from construction site and worker's camp. Grievance Redress Procedure is disclosed to risk group, particularly female community members and female members of vulnerable/ disadvantaged groups. Engage Women's Union (WU) at commune level to assist in resolution if the incidence occurs. PMU's reporting of the cases and maintains regular monitoring, and take actions as needed. <p>Mitigation for potential social conflicts include:</p> <ul style="list-style-type: none"> Inform local officials and affected residents, regularly and in advance, of the location and schedule of construction activities which may cause impacts on the environment and life of people. Ensure construction camps are located at least 500 m away from communities to avoid social conflict in using resources and basic amenities such as water supply and to avoid close contact between workers and the community (in particular children). Maximize number of local people employed in construction and non-construction jobs and provide on the job skills training for local people employed. Maximize goods and services sourced from local commercial enterprises. 		
<p>Labour and Working Conditions</p>	<p>Moderate</p>	<p>Moderate</p>

<p>Risk:</p> <p>There may be environmental risks to labourers involved in infrastructure activities owing to historical pollution (air, water) in Thanh Hoa province. It is highly unlikely that children under 15 years of age or forced labour will be involved in project activities. However, there is some risk that children between 15 and 18 years of age might provide labour.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project will set labour and working condition standards in line with GoV and IFAD norms and focus on employment for local communities.</p> <ul style="list-style-type: none"> • Minimum age requirement is 18 years of age for all project workers, including contracted workers engaged. Procedure for age verification (prior to job offer) and how to handle the cases if found while on board (See ESCMF). 		
<p>Indigenous People</p>	Moderate	Moderate
<p>Risk:</p> <p>Ethnic Minorities constitute a minor proportion of the CRWIS target population. The rehabilitation works that benefit people from 2 villages might involve lands owned or cultivated by Ethnic Minorities. No permanent land acquisition is anticipated based on the current initial scope of investment.</p> <p>Exclusion of vulnerable/ disadvantaged individuals/ groups including ethnic minorities: People from these groups may not participate in project meetings and events because of the following reasons: (i) lack of confidence; (ii) being excluded /not being respected by other members of the groups/ being discouraged from joining the discussion by other members; (iii) lack of labor within the family and poor house conditions; (iv) lack agriculture land; and (v) lack motivation to work and/or participate in development project.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Stakeholder Engagement Plan, Ethnic Minority Plan, and FPIC Implementation Plan have been prepared to set forth procedures for iterative engagement of Ethnic Minorities in village Bãi Gạo during this subproject planning and implementation. SEP has included special consultation measures which address also the need of specific different groups such as ethnic Minority, people with disability, women, female-headed households, elderlies, and children.</p> <p>Key mitigation measures include: Identify the EM groups in each project commune/village. Ensure these groups are invited to project's consultation meetings using communication methods prepared for vulnerable groups. Incorporate feedback from these groups consultation meetings prior to project implementation/selection of investment activities and ensure they could participate and receive project benefits. Maintain regular contacts with the groups during project design and during implementation activities.</p>		
<p>Cultural Heritage</p>	Moderate	Low

<p>Risk:</p> <p>Screening during project design indicated that there are no tangible cultural sites identified within the potential command areas. Since project will rehabilitate existing infrastructure, the risks of affecting cultural sites are low. It is also anticipated that project activities would not have any potential adverse impacts on any intangible cultural heritages of the local people, including those of the ethnic minority groups in Chau Khe commune, Con Cuong district, Nghe An province.</p> <p>It is also noted that land acquisitions for expansion of existing irrigation canals would be rare. If this happens, only short section of new canal (main and secondary levels) would be built in public land and acquisition of private land is avoided/minimized. The degree of excavations, movement of earth for these new canal sections are expected to be small, shallow, and linear by nature. As such, alignment for new section of canals would be adjusted to avoid impact on cultural heritage, if any.</p>	Moderate	Low
<p>Mitigations:</p> <p>The project has a Find Chance Procedure that is included in the ESCMF. During project implementation, impacts on intangible and tangible cultural heritage will be avoided, if found during project implementation. Subprojects that potentially cause cultural heritage impact will not be eligible for financing. FPIC Implementation Plan and Stakeholder Engagement Plan will ensure transparency on project activities and mandate consultations in designing any benefit-sharing arrangements for tangible/intangible cultural heritage that is commercialized (as in access to markets is strengthened or introduced).</p>		
<p><i>Resource Efficiency and Pollution Prevention</i></p>	<i>Substantial</i>	<i>Substantial</i>
<p>Risk:</p> <p>Excess use of agro-chemicals by farmers, particularly aquaculture farmers in Thanh Hoa, may affect river and irrigation water quality through leakage, and affect the crop safety and livestock / human health. Poor waste management (solid, effluent, domestic, industrial) might affect water quality and flow. Support to high technology crop or aquaculture production might result in soil or water. Historically, some communes have used open sewers to pump irrigation water when irrigation canals do not reach their fields – so, implementation delays in Component 1 or inadequate upgrade of canals may exacerbate this practice.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>Climate-Smart Agriculture practices that include integrated fertilizer, insecticide, and pesticide management (including the use of microbial manure) will be prioritized.</p> <p>A strong monitoring system that can quickly identify potential delays in Component 1 activities will be implemented. This would allow assessment of its implications for Component 2 and timely adjustments and remedial/re-prioritization activities where needed.</p>		
<p><i>Biodiversity Conservation</i></p>	<i>Moderate</i>	<i>Moderate</i>
<p>Risk:</p> <p>Potential construction and upgrade of canals, dykes, roads and pumping stations may affect freshwater species in the rivers Lam and Cung / Ma. Historical effects of hydropower stations on riverbank erosion and river morphology will continue. Irrigation infrastructure and agricultural production is not expected to impinge on protected areas, or critical or sensitive wildlife habitats on land. CSA activities that promote certain crop varieties, crop species, livestock breeds, plantation species, etc. may affect agro-biodiversity.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>Main mitigation strategy pertains to community-based land use planning and allocation process, including: collection of information & secondary data on freshwater/riverbank biodiversity, agro-biodiversity, and land use; preparation of the land use plan and proposed land use maps; (3) submission of the proposed land use plan to commune and District People's Committees (DPC) for approval.</p>		
<p>Stakeholders</p>	Low	Low
<p>Stakeholder Grievances</p>	Low	Low
<p>Risk:</p> <p>Given the risks and impacts related to land acquisition, labour, SEA/SH, and others are anticipated, grievances related to these aspects are anticipated. However, due to the nature and small scope of potential impacts, the risk related to stakeholders' grievances are expected to be small.</p>	Low	Low
<p>Mitigations:</p> <p>Four grievance redress procedures have been prepared to ensure grievances that arise during project implementation are timely acknowledged and resolved within a specified timeframes. Aggrieved persons could submit complaints verbally, or in writing, through different channels that are most appropriate to them.</p>		
<p>Stakeholder Engagement/Coordination</p>	Low	Low
<p>Risk:</p> <p>The risk associated with stakeholder engagement and coordination is rated "Low" given that there has been a strong cooperation culture that has been adopted under existing government's development program. In addition, under this project, there is a strong commitment of local people and government to work together to delivered expected project outcomes.</p>	Low	Low
<p>Mitigations:</p> <p>A Stakeholder Engagement Plan has been prepared to identify project stakeholders (both affected and interested parties), particularly to identify vulnerable/disadvantaged groups. The SEP also assess the level of interest, influence, and impact of each identified groups as to project interventions, thereby proposing methods for consulting each groups, based on their socioeconomic characteristics. In addition, an FPIC Implementation Plan has also been prepared to ensure ethnic minority peoples and those affected with land acquisition are consulted appropriately and provide Free, Prior, Informed Consent to the subproject, and to investment activities that affect them adversely.</p>		

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 10: Exit Strategy

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department



Vietnam

Climate Resilient and Inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)

Annex 10. Exit Strategy

1. The sustainability of CRWIS investments is based on the strong relevance of its goal, development objective and outcomes aligned to, and underpinning government efforts to transform agriculture in a modern, profitable and environmental and climate sensitive sector. Government has already adopted and scaled out the IFAD country programme approach across the country, in terms of a bottom up planning process to address environmental and climate, gender and ethnic minority aspects and to render smallholder agriculture a business.

2. CRWIS's exit strategy is built into the project implementation approach and is based on the experiences and lessons learnt of the IFAD country programme and other ODA funded projects. The exit strategy outlines the transfer of responsibilities from the PMU to provincial institutions before the project end, ensuring that finance is secured and the scaling out of CRWIS results promoted. The exit strategy assigns institutions to lead on specific activities, identifies the process and funding sources and should. The full exist strategy will be developed at the early stage of project implementation (year 1).

3. CRWIS is fully embedded in the present policy context for the country and provinces. The key policies are the Agricultural Restructuring Plan 2021–2025, the Socio Economic Development Plans 2021-2025, and the Socio Economic Development Strategy 2021-2030. The national and provincial Governments have expressed their demand for support to implement these policies. From the outset, there has been a strong partnership and consultation process with the national and provincial governments for the design of CRWIS. The provincial governments are the owners of the project and they take on the responsibility for the project implementation and exit strategies. The PPC appoints the relevant department with the implementation of the project component and activities during and beyond CRWIS. The PPC is also the decision body for the allocation of funds for public institutions implementing CRWIS.

4. The Department of Planning and Investment (DPI) and Department of Agriculture and Rural Development (DARD) of each province coordinate with the support of the PMU the implementation of outputs related to the socioeconomic development planning, water management planning, and VCAP development. The process will engage with the required line agencies, FU, WU and district and commune agencies. The funding for these comes from existing provincial sources and is part of the provincial development plan, ensuring ownership and continuance of these activities in future years. The PPC with DPI and DOF will ensure that sufficient funding is available for consultation processes and for intra-provincial and inter- sectoral, inter-district coordination and planning. The implementation arrangements are fully aligned with current Provincial procedures, processes and their accountability framework.

5. Details of exit strategy per technical component are highlighted below;

Component	Sustainability and Exit Strategy
<p>COMPONENT 1.</p> <p>Improved water availability and control through climate-resilient infrastructure development</p>	<p>1. The project will adopt a participatory approach when developing the subcomponent activities, from the identification of interventions, through the conducting of feasibility studies and detailed designs, until reaching the construction or rehabilitation phase of water infrastructure to ensure ownership. CRWIS will consider eligible for investment only those sites/sub-projects whose feasibility study demonstrates that adequate water resources are available and sufficient to ensure appropriate water supply for the targeted irrigation schemes, without affecting downstream users and minimum environmental flow in the target watersheds.</p> <p>Both IFAD and the provincial governments have long experience in management of infrastructure investments through many projects and programmes. PMU will ensure that every single invested infrastructure will have regulations and unit that sustainably operates and maintains the scheme. In particular, the assets benefitting from CRWIS</p>

Component	Sustainability and Exit Strategy
	<p>interventions are public, with management delegated to cooperatives or publicly owned/financed irrigation companies. The project PMUs will ensure that the Operation and Maintenance (O&M) of the main infrastructure rehabilitated/ upgraded (Headworks, main irrigation network, Dikes' sluice gates) will adequately be funded by the PPCs and implemented by the infrastructure managers (cooperatives, irrigation companies, etc.). The PPCs will take on the responsibility to monitor the appropriate use of the infrastructure, and the O&M arrangements to ensure longevity of the infrastructures.</p> <p>At farm level, the project, and through the counterpart funds, will strengthen the capacity of the beneficiary communities, mainly the cooperatives and water users' entities, to ensure that adequate O&M is provided to the project small-scale interventions (e.g. the rehabilitated earthen/tertiary canals; the developed field drains, etc.). Continuous institutional support through mentoring and coaching, besides technical, business and financial aspects will also be provided. DARD with FU, YU, WU and CEM have the capacities and funding to carry on the support to entities once CRWIS ends. The PPC through the PMU will engage with each agency through institutional agreements and plans to strengthen these smallholder organisations and ensure their continuity.</p> <p>The project will develop an adequate hand-over procedures during its implementation and will ensure a smooth asset management transfer and handing over to beneficiaries and will empower communities and strengthen farmer level institutions such as cooperatives, Water Users' entities for sustainable management, operation and maintenance of water related infrastructure.</p>
<p>COMPONENT 2</p> <p>Integrated water management and Climate Resilient Agriculture</p>	<p>A key condition for sustainability will be how producers/water users can cope with climate change effects. CRWIS builds the required institutional back up and links it with the funding resources required. Based on other IFAD projects' experiences, CRWIS promotes innovations, learning and implementation as a continued mechanism to be led by PPC, and the 4P platform. Technology (including digital) and knowledge transfers are sponsored mainly by NTPs, OCOP, and private sector to ensure a steady flow of high quality products according to market standards. Digital technology promotes the application, tracing and monitoring of quality standards including certification. CRWIS with private sector will mainstream quality standards promoting trust of markets and end consumers. It is expected that trustful partnerships of public and private sectors will grow sustainably over time.</p> <p>The Department of Industry and Trade (DOIT) in each province and respective district Department of Agriculture will lead the establishment and implementation of the 4P platform. It will be owned by a mix of private enterprises and their institutions and public institutions (e.g. WU, FU, YU, CEMA, DARD and DOIT). Most funding to maintain the 4P platform will come from the NTPs and/or private sector.</p> <p>The project will strengthen/build institutional capacities in terms of planning, climate smart agriculture and access to finance. A key output will be the Business Development Services (BDS), led by the</p>

Component	Sustainability and Exit Strategy
	<p>4P platform. The continuation of the BDS beyond the project is pivotal for the value chains sustainability and thus, the 4P platform will continue to take the lead to manage, shape and fund it.</p>
	<p>Access to finance for smallholders and SMEs will increase through the CRWIS value chain development/4P activities. It is likely that NTPs, OCOPs, and other financial institutions will be interested in the funding of the value chains once there are showing convincing business results. The finance facilitator function of the PMU will be pivotal during implementation. The exit strategy includes that a similar function should be set up in the 4P platform before the end of CRWIS, in order to continue bridging the contact between producers, processors and traders with financial institutions.</p>
	<p>Climate Smart Agriculture (CSA) will remain an important tool to continue the adaptation of farming systems to the evolving climate and other threats in two provinces. DARD, 4P platform, Youth and Women Union will be supporting adaptation frameworks and technical extension support. Future funding will continue to be mobilised from their own resources and from the private sector as is the case for CRWIS implementation.</p>

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

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Mainstreaming themes – Eligibility criteria checklist						
	<input checked="" type="checkbox"/> Be gender transformative	<input checked="" type="checkbox"/> Be youth sensitive	<input type="checkbox"/> Be nutrition sensitive	<input type="checkbox"/> Prioritize persons with disabilities	<input type="checkbox"/> Prioritize indigenous peoples	<input checked="" type="checkbox"/> Include climate finance <input checked="" type="checkbox"/> Build adaptive capacity
Situation analysis	<input type="checkbox"/> National gender policies, strategies and actors <input type="checkbox"/> Gender roles and exclusion/discrimination <input type="checkbox"/> Key livelihood problems and opportunities, by gender	<input type="checkbox"/> National youth policies, strategies and actors <input type="checkbox"/> Main youth groups <input type="checkbox"/> Challenges and opportunities by youth group	<input type="checkbox"/> National nutrition policies, strategies and actors <input type="checkbox"/> Key nutrition problems and underlying causes, by group <input type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	<input type="checkbox"/> National policies, strategies and actors <input type="checkbox"/> Main groupings among PwDs <input type="checkbox"/> Context-based barriers and opportunities for PwDs	<input type="checkbox"/> International standards, national policies, strategies and key IPs' organizations <input type="checkbox"/> Main IPs communities, demographic, social, cultural and political characteristics <input type="checkbox"/> Important livelihoods constraints and opportunities for IPs and their cultural heritage	
Theory of change	<input type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input type="checkbox"/> Gender transformative pathways <input type="checkbox"/> Policy engagement on GEWE	<input type="checkbox"/> Pathways to youth socioeconomic empowerment <input type="checkbox"/> Youth employment included in project objectives/activities	<input type="checkbox"/> Nutrition pathways <input type="checkbox"/> Causal linkage between problems, outcomes and impacts	<input type="checkbox"/> Pathways to PwDs' socioeconomic empowerment using a twin-track approach	<input type="checkbox"/> Pathways to IPs' socioeconomic empowerment	
Logframe indicators	<input type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input type="checkbox"/> Women are > 40% of outreach beneficiaries <input type="checkbox"/> IFAD empowerment index (IE.2.1)	<input type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input type="checkbox"/> Persons with new jobs/employment opportunities (CI 2.2.1)	<input type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input type="checkbox"/> Targeted support to improve nutrition (CI 1.1.8) Outcome level CIs <input type="checkbox"/> CI 1.2.8 MDDW <input type="checkbox"/> CI 1.2.9 KAP	<input type="checkbox"/> Outreach disaggregated by sex, youth, disability and IPs (if appropriate)	<input type="checkbox"/> Outreach indicator disaggregated by sex, youth and IPs <input type="checkbox"/> IPs are > 30% of target beneficiaries	
Human and financial resources	<input type="checkbox"/> Staff with gender TORs <input type="checkbox"/> Funds for gender activities <input type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input type="checkbox"/> Staff with youth TORs <input type="checkbox"/> Funds for youth activities	<input type="checkbox"/> Staff or partner with nutrition TORs <input type="checkbox"/> Funds for nutrition activities	<input type="checkbox"/> Staff with disability inclusion-specific TORs <input type="checkbox"/> Funds for disability inclusion-related activities (including accessibility)	<input type="checkbox"/> Staff with IPs-specific TORs <input type="checkbox"/> Funds for IPs related activities, including FPIC	IFAD Adaptation Finance \$41,362,000 IFAD Mitigation Finance \$0 Total IFAD Climate-focused Finance \$41,362,000

ECG Remarks	Gender Nutrition Youth Persons with Disabilities Indigenous Peoples <input type="checkbox"/> No social inclusion themes
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Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex: Environmental Social Climate Management Framework Crwis 02012024

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Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)

ENVIRONMENTAL, SOCIAL, AND CLIMATE MANAGEMENT FRAMEWORK (ESCMF)

ABBREVIATIONS

4P	Public–Private–Producer Partnership
AVC	Agricultural Value Chain
CIG	Community Interest Group
DARD	Department of Agriculture and Rural Development
DONRE	Department of Natural Resources and Environment
EM	Ethnic Minority
FA	Farmers Association
FC	Farmers’ Cooperative
FAO	Food and Agriculture Organization of the United Nations
FGD	Focus Group Discussion
FHH	Female-Headed Household
FPIC	Free, Prior, Informed Consent
FU	Farmers Union
GAP	Gender Action Plan
GBV	Gender Based Violence
GRM	Grievance Redress Mechanism
HHS	Household Survey
IEC	Information, Education and Communication
IFAD	International Fund for Agricultural Development
IPP	Indigenous Peoples’ Plan
KII	Key Informant Interview
MARD	Ministry of Agriculture and Rural Development
MONRE	Ministry of Natural Resources and Environment
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution

NTFP	Non-Timber Forest Products
NTP-EMD	National Target Program for Ethnic Minority Development
NTP-NRD	National Target Program for New Rural Development
NTP-SPR	National Target Program for Sustainable Poverty Reduction
OCOP	One Commune, One Product
OHS	Occupation Health and Safety
PC	Peoples' Committee
PCEM	Provincial Committee of Ethnic Minority
PMU	Project Management Unit
PPC	Provincial People's Committee
SDP	Socio-economic development planning
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SECAP	Social, Environmental, and Climate Assessment Procedures
SEP	Stakeholder Engagement Plan
SMART	Specific, Measurable, Achievable, Reliable, and Time-bound (indicators)
SYIB	Start and Improve Your Business
TNA	Technology Needs Assessment
VAC	Violence Against Children
VCAP	Value Chain Action Plan
WB	World Bank
WU	Women's Union
YU	Youths' Union

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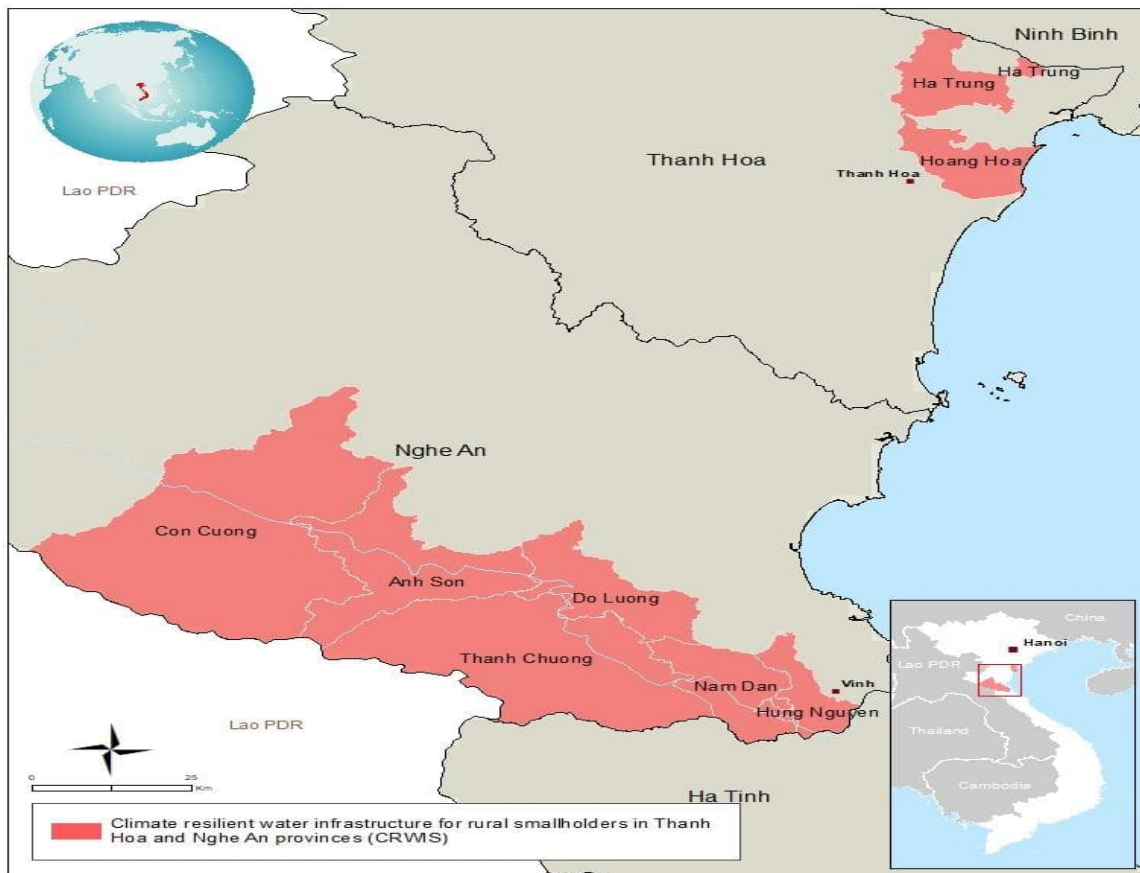
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I. INTRODUCTION

1.1 Project Background

1. The Government of Viet Nam (GoV) and IFAD agreed to finance and develop jointly the Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An Provinces (CRWIS). CRWIS will be implemented in the two provinces of Thanh Hoa and Nghe An focusing on renovating and upgrading irrigation, drainage and flood control infrastructure to support socio-economic development and respond to climate change. Improved irrigation builds smallholder farmers' resilience to both climate and market shocks by providing them opportunities to expand their businesses (higher productivity, diversification and lower risks) and take charge of their own development, thus contributing to food security, poverty reduction and environmental sustainability.
2. CRWIS project goal is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces". The Project Development Objective is to "Catalyse climate-informed water management for irrigation and flood control and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods."
3. This will be achieved through the three interlinked outcomes of: 1) Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure; 2) Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management; and 3) Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models.

Figure 1: Project Area



 The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 08-08-2023

1.2. Purpose and Application of the ESCMF

4. The purpose of the ESCMF is to ensure that the project has concrete plans and processes in place to avoid, minimize, and/or mitigate the risks and potentially adverse project-related environmental and social and climate change impacts, once the CRWIS activities and/or subprojects are identified, planned, and implemented. This living document: (i) assesses and summarizes project-related risks and impacts; and (ii) sets out the principles, rules, guidelines, and procedures to assess any potential risks and impacts of future subproject and activities identified at a later time. It provides measures to reduce, mitigate, and/or offset those adverse risks and impacts from the project and highlights information about areas where subprojects are expected to be located (including any specific E&S-related vulnerabilities of those areas; potential impacts that may occur; and mitigation measures that might be used). Specific objectives of this ESCMF are to:
 - ❖ Assess the potential environmental, social, and climate-related risks and impacts of the project, both positive and negative, and propose mitigation measures which will effectively address these risks and impacts;
 - ❖ Establish clear procedures for the E&S planning, review, approval, and implementation of subprojects and other activities to be financed under the project;
 - ❖ Specify appropriate roles and responsibilities and outline the necessary reporting procedures for managing and monitoring E&S issues/concerns related to subprojects, TA, and activities;
 - ❖ Determine the training, capacity building, and technical assistance needed to successfully implement the provisions of this ESCMF;
 - ❖ Outline and address mechanisms for public consultation and disclosure of project documents, as well as redress of possible grievances; and
 - ❖ Establish the budget requirements for implementation of this ESCMF.
5. This ESCMF provides information on (i) items ineligible for Project funding; (ii) how to conduct the E&S screening; (iii) risks and impacts classifications; (iv) identification of various E&S documents to be prepared (both prior to and after project approval) and the process to be followed for their preparation (including the clearance process); (v) implementation arrangements; (vi) training and capacity building; (v) grievance redress mechanism; (vi) estimated costs and budget requirements; and (vii) guidelines and specific forms for preparation of the identified E&S documents required.

II. PROJECT DESCRIPTION

2.1 Project Objective, Components, Areas, and Beneficiaries

6. The project goal is to *"Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces"*.
7. The Project Development Objective (PDO) is to *"Catalyse climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods."*
8. This will be achieved through the three interlinked outcomes described below.
9. *Outcome 1: Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure*
10. Output 1.1: Improved access to and efficiency of irrigation water for smallholders. The project will undertake the rehabilitation and modernization of pumping stations and concretised irrigation canals (I and II) to improve the efficient use of water and increase agricultural production by optimising the existing infrastructure and increasing their adaptive capacity to withstand climate risks. The project will coordinate and provide

capacity development to Government-led rehabilitation programmes under NTP-NRD targeting on-farm irrigation canals (III and IV) and small-scale irrigation systems for improved farm level water management.

11. Output 1.2: Improved prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. The project will undertake the rehabilitation of critical sections of river dikes to strengthen the protection of agricultural and residential lands against the impacts of floods, saline intrusion and coastal and river erosion.
12. Output 1.3: Improved connectivity between communes and physical access to infrastructure, markets and services. The project will undertake the construction and rehabilitation of on-dike roads and access roads to pumping stations, to strengthen WUGs capacity for timely water management, facilitate maintenance and operation, improve connectivity between rural communes and provide better access to services and markets, and improved mobility of rural smallholders including women.
13. *Outcome 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management*
14. Output 2.1: Improved capacity of water user groups for inclusive irrigation water management. The project will include gender-responsive capacity building of WUGs in sustainable and climate-informed community-led water management and maintenance of infrastructure.
15. Output 2.2: Improved local institutional capacity and coordination mechanism for integrated, inclusive and climate-informed water management. The project will develop an operational plan for an inclusive institutional coordination mechanism on integrated water management, review and upgrade existing Climate Information Systems (CIS), update flood and drought risk maps at district and commune levels, build capacity of local institutions in data collection, analysis and provision of hydrometeorological information for agriculture. Specifically, the project will support women's empowerment in decision-making for water management and climate change action plan, and provide opportunities for increasing youth employability in existing and emerging labour markets around climate and water management.
16. *Outcome 3: Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models*
17. Output 3.1: Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge. The project will undertake multi-stakeholder surveys to assess existing climate-adapted business models, identify profitable irrigated commodities for smallholders, establish Farmer Field Schools to upscale CSA technologies and practices. The project will specially target vulnerable smallholder farmers to pilot innovations and de-risk the adoption of improved agricultural models through targeted small-scale investments.
18. Output 3.2: Increased smallholder farmers' income from facilitated business linkages with the private sector. The project will support the establishment of public-private-producers partnership (4P) platforms and the organisation of policy dialogues to strengthen business linkages among value chain actors, aimed at providing timely agrometeorological advisory services to smallholders and sustainable market opportunities for their produce.
19. Project Timeline: The project will be implemented over a 6-year period, from 2024 to 2030. Loan-financed investments under component 1 will be implemented within 4 years, in line with Government regulations on ODA, whereas non-infrastructure interventions, in particular related to developing pro-poor and climate-resilient value chains are expected to require up to 6 years to ensure effective adoption of CSA technologies and practices. To ensure achievement of all expected results within the implementation timeframe, IFAD will support the Government to frontload all required feasibility and engineering studies as well as procurement planning for the infrastructure works.

20. **Project Costs & Financing** The total estimated budget for CRWIS is US\$ 101 million, with a breakdown presented in the below table. The total IFAD loan of US\$ 45.0 million will include a dedicated contingency budget (up to US\$ 3.0 million under unallocated expenditure category) to mitigate risks related to infrastructure investments (inflation, natural disasters, etc.).
21. **Project Areas:** The project will be implemented in 8 districts across the two provinces of Thanh Hoa and Nghe An. An overview of the project area is visible in Figure 1.
22. **Project Beneficiaries:** The project will be implemented through a combination of geographical targeting and direct beneficiary targeting approaches aimed at the rural poor households and most climate-vulnerable communities. The project is implemented in two districts (Ha Trung and Hoang Hoa) in Thanh Hoa province and six districts (Con Cuong, Anh Son, Do Luong, Thanh Chuong, Nam Dan and Hung Nguyen) in Nghe An province, and is estimated to directly benefit about 60,000 rural households or 210,000 people. Direct beneficiaries will be selected from the following socio-economic groups: (i) poor and near-poor rural households, (ii) water-insecure and climate vulnerable smallholder farmers.

2.2 Typology of Investments

23. Investments under the CWRIS will consist of: (i) Climate resilient infrastructure to address the emerging risks of climate change, notably drought and flood, (ii) Water use and value chain planning, (iii) Public-private-producer partnership (4P) value chain investments, (iv) Capacity building; and (v) climate smart agriculture demonstrations/investments. All of IFAD loan amount will be invested in the climate resilient infrastructure works, while the resources for planning, capacity building, 4P value chain, CSA investments will be mobilised from grant (Adaptation fund – AF), National Target Programs (NTP), private sector, and other donors, following the development and implementation of the value chain action plans (VCAP).
24. The climate resilient infrastructure infrastructures will comprise civil works investments in three categories: (1) water infrastructures; (2) rural roads; and (3) other infrastructures. These are described below:
- ❖ **Water Infrastructures:** CRWIS will finance irrigation works (pumping stations, irrigation canals, sluices and sluice gates, multiuse reservoirs, irrigation ring dykes/embankments, irrigation-pumping stations) which will contribute in improving water sources availability, reducing impacts from flood, salinity intrusion (in Hoang Hoa district), storing fresh water, and regulating fresh/brackish water sources for cultivation and aquaculture. The other possible infrastructures in this category is wastewater treatment systems for aquaculture activities. All water infrastructures will incorporate climate change adaptation/resilient measures in their planning and design specifications, such as measures to prevent soil erosion and sedimentation, the use of saline-resistant materials for mechanical parts, etc.
 - ❖ **Rural Roads:** CRWIS will finance the construction and rehabilitation of rural roads to improve market access and contribute to reducing the cost of transporting agricultural inputs and outputs. It will take into account climate change risks and impacts, including floods, tide surge, and high temperature in planning and design specifications (e.g. road embankment and structures elevation; water discharge capacity of culverts, bridges, ditches; erosion prevention measurements for embankment such as vetiver vegetation on cut/fill batter/slope; heat-resistant asphalt materials).
 - ❖ **Other Infrastructures:** CRWIS will finance other types of infrastructure, which will potentially include salinity and water quality monitoring points/stations, pet monitoring stations, etc. Climate change adaptation measures will also be incorporated in the planning and design specifications of these infrastructures.
25. For the policy/value chain planning, capacity building, 4P value chain investments under Component 2 and 3, during the project design it is yet detailed. The type of investments and/or business proposals are not known at this stage, and this will be clarified in the course of project implementation, when the planning process has advanced sufficiently to

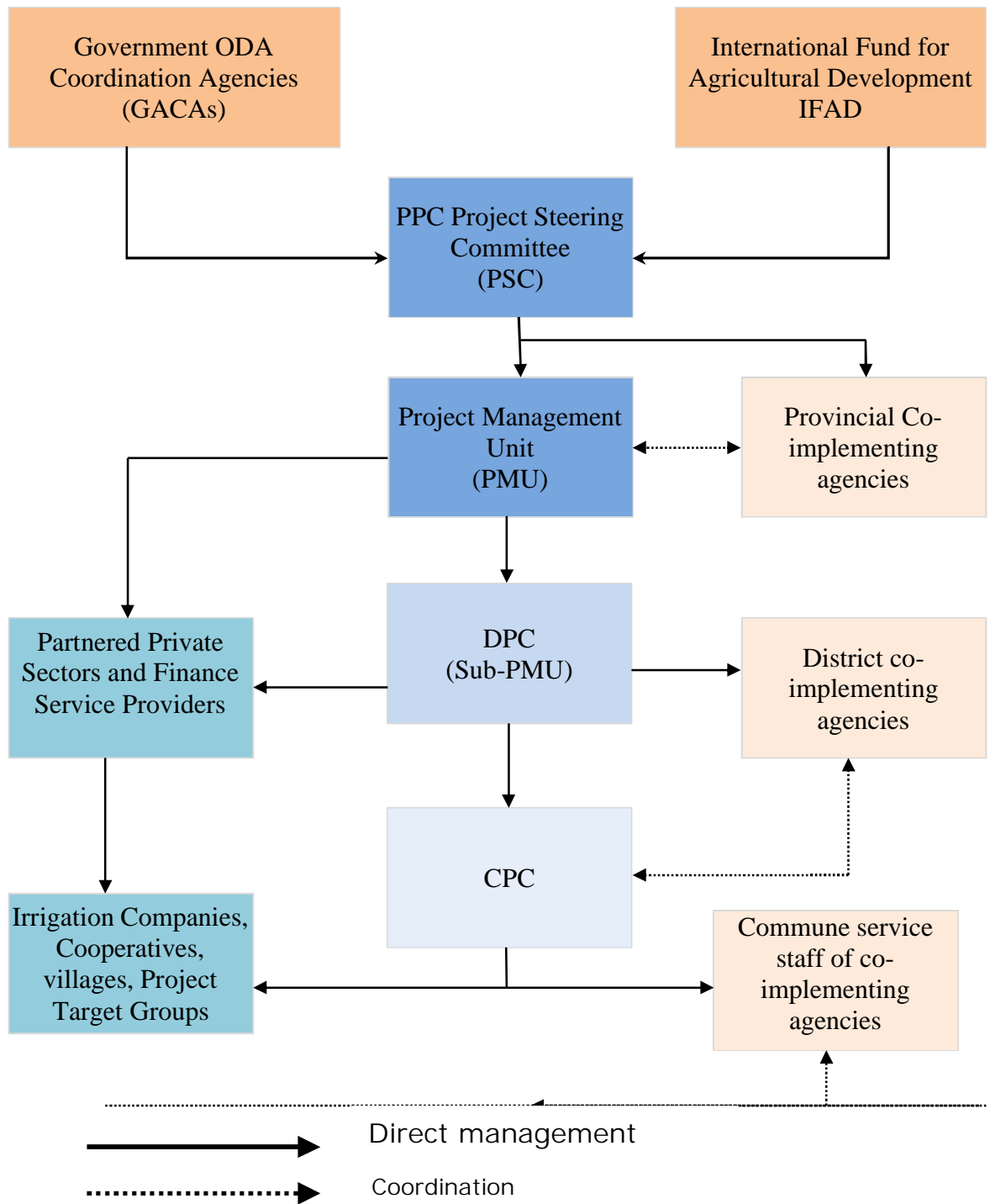
allow for the determination of the relevant details. At that time, it will be possible to make a final judgement as to which safeguards will apply to the capacity building, 4P value chain investments.

26. Since CRWIS entered the pipeline after 1 August 2021, it is covered by IFAD's Social, Environmental and Climate Assessment Procedure (SECPA) version 2021. Based on offline screening, inherent risks are classified as **Substantial**, and therefore this ESCMF sets out CRWIS's project principles, rules, guidelines and procedures for screening, assessing and managing the potential environmental, social and climate risks and impacts on investments that remain to be specifically located and designed. Where the GoV's safeguard standards are higher or stricter than IFAD's, the GoV standards will be adopted.

2.3 Project Implementation Arrangements

27. The National Government of Viet Nam has appointed the Province People Committees (PPCs) of Thanh Hoa and Nghe An provinces, respectively, as the Lead Project Implementing Agencies accountable for project execution. The PPC will establish Project Steering Committees (PSCs) in each province led by the PPC Chairperson or the Deputy Chairman. PSCs are mandated to lead the project implementation, ensure coordination and integration of the project with all the national target programmes and donor-funded projects.
28. The provincial level PSCs, leading project management/coordination in their related province, are comprised of provincial line agencies, PCEM, FU, WU/WDF and YU, district level project steering committees, development partners and private sector companies which are party to the CRWIS. The PSC provides the strategic direction to the implementation of CRWIS, oversees project planning, financing and procurement processes, mobilises adequate and timely finance for the AWPB, reviews the progress and reporting on results. The PSC would hold joint meetings for the NTP-EMD, NTP-NRD and NTP-SPR and the likewise donor-funded projects in the provinces. Each of the two provincial PPCs establishes a Project Management Unit (PMU) for implementation of CRWIS.
29. PMU is established under and report directly to the PPC/DARD in each province. The PMU is led by a fulltime Provincial Project Director appointed from leadership at the department level. The PMUs are composed of three technical sections: (i) Strategic Management including dedicated staff for planning and monitoring/evaluation the project activities, value chain intervention activities, and the social (gender, youth, EM) and environmental safeguards, and climate adaptation activities, (ii) Infrastructure Management including a Engineer to ensure adherence to social and environmental safeguards and (iii) Financial Management. The DPCs and CPCs coordinate the project implementation. The actual implementation is the responsibility of district and commune line agencies and mass organizations (i.e FU, WU, YU).
30. The PMU staff and hired technical assistance services provide technical backstopping and supports to CRWIS implementation at the district and commune level. The project implementation integrates itself into existing institutions at the local levels to ensure ownership, direct link to higher level policy makers, sustainability, local capacity building and reduced management cost.

Figure 2: Implementation Arrangements



31. Implementation Experience: The two provinces generally have solid experience working with donor-funded projects such as World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA). At provincial levels the teams have the capacity to implement the CRWIS project. However, a major part of the work, including all physical works, will be conducted at local levels (i.e. district and commune), where lower capacity can be found. To mitigate these risks, the project is advised to recruit and engage technical assistance related provincial technical departments to provide training and technical assistance to the relevant staff.

III. POLICY, LEGAL, AND ADMINISTRATIVE FRAMEWORK

3.1 Applicable National Laws and Regulations

32. As the CRWIS does not involve wetland, natural protected areas, emission of persistent organic pollutants, or international trade in endangered species of wild fauna and flora, no relevant international environmental agreements to which Viet Nam is a party would apply. The relevant national laws, regulations, standards and technical guidelines that CRWIS should comply with during the project preparation, construction and operation are presented in Table 1 below. For ease of reference, the laws and regulations are broadly grouped based on area/sector (e.g. environmental protection, labour, etc.) in as much as possible, with repetitions avoided (i.e. only listed once).

Table 1: National laws, regulations, standards, and technical guidelines for CRWIS compliance during the project preparation, construction, and operation

Environmental Protection
2014 – The Law on Construction (No. 50/2014/QH13, dated 18 June 2014).
2015 – The Law on Occupational Safety and Health (No. 84/2015/QH13 dated June 25, 2015).
2017 – The Law on Irrigation (No. 08/2017/QH14 dated 19 June 19 2017).
2015 – Decree No. 3/2015/ND-CP (dated 6 January 2015) providing the assessment of environmental damage.
2015 – Circular No.32/2015/TT-BGTVT (dated 24 July 2015) on environmental protection in transport infrastructure development.
2017 – Circular No.20/2017/TT-BGTVT (dated 21 June 2017) Amending and supplementing a number of articles of Circular No. 32/2015/TT-BGTVT dated July 24, 2015 of the Minister of Transport regulating environmental protection in transport infrastructure development
2016 – Decree No. 155/2016/ND-CP (dated 18 November 2016) prescribing administrative sanctions for environmental protection.
2020 – Law on Amending and Supplementing a Number of Articles of the Construction Law (No, 62/2020/QH14, dated 28 June 2020)
2020 – Law on Environmental Protection (No, 72/2020/QH14, dated 17 November 2020) providing statutory provisions on environmental activities; measures and resources used for the purpose of environmental protection; rights, powers, duties and obligations of regulatory bodies, agencies, organizations, households, and individuals who are tasked with environmental protection.
2022 – Decree No.08/2022/ND-CP (dated 10 January 2022) detailing the implementation of some articles of the Law on Environmental Protection.
2022 – Circular No.02/2022/TT-BTNMT (dated 31 December 2022) on detailed regulating on the implementation of some articles of the Law on Environmental Protection and the government decree No.08/2022/ND-CP (dated 10 January 2022)

2022 – Decision No.450/QĐ-TTg (dated 13 April 2022) approving the National Environmental Protection Strategy to 2030, vision to 2050.

2023 – Circular No.01/2023/TT-BXD (dated 16 January 2023) regulations on periodic reporting regime under the scope of state management of the Ministry of Construction.

Labour and Working Conditions

2006 – Law on Gender Equality (No.73/2006/QH11, dated 29 November 2006).

2009 – Decision No. 1956/2009/QĐ-TTg (dated 17 November 2009) approving the Master Plan on Vocational Training for Rural Labors by 2020.

2010 – Law on People with Disabilities (No. 51/2010/QH12, dated 17 June 2010).

2013 – Law on Trade Unions (No. 12/2012/QH13, dated 20 June 2012).

2013 – Law on Employment (No. 38/2013/QH13, dated 16 November 2013).

2013 – Decree No. 43/2013/NĐ-CP (dated 10 May 2013) providing detailed guidance on implementing Article 10 from the Law on Trade Union, specifying the rights, responsibilities of Trade Union in representing, and protecting the right and legal and appropriate benefits of laborers (Vietnamese).

2015 – Decree No. 04/2015/ND-CP (dated 9 January 2015) on Implementing Grassroots Democracy in activities of State administrative organs and public non-business units.

2015 – Law on Occupational Safety and Health (No. 84/2015/QH13, dated 25 June 2015).

2015 – Code of Conduct on Sexual Harassment in the Workplace (published 25 May 2015)

2015 – Decision No. 971/QĐ-TTg of the Prime Minister (dated 01 July 2015) on amending and supplementing Decision No. 1956/QĐ-TTg dated November 27, 2009 of the Prime Minister approving the Project "Vocational training for rural labors until 2020"

2016 – Decree No. 44/2016/ND-CP (dated 15 May 2016) detailing a number of articles of the Law on Occupational Safety and Hygiene on technical inspection of labor safety, safety training, and occupational hygiene working and monitoring the working environment

2016 – National technical regulation QCVN 22:2016/BYT (dated 30 June 2016) on Lighting - Allowable lighting levels in the workplace.

2016 – National technical regulation QCVN 24:2016/BYT (dated 30 June 2016) on Noise - Allowable exposure levels to noise in the workplace.

2016 – National technical regulation QCVN 26:2016/BYT (dated 30 June 2016) on Microclimate - Permissible value of microclimate in the workplace.

2016 – National technical regulation QCVN 27:2016/BYT (dated 30 June 2016) on Vibration - Allowable values in the workplace.

2016 – Circular No. 19/2016/TT-BYT (dated 30 June 2016) guiding labour hygiene, labourers' health and occupational diseases.

2019 – Code of Labor (No. 45/2019/QH14, dated 20 November 2019).

2020 – Circular No. 10/2020/TT-BLĐTBXH (dated 12 November 2020) detailed regulations and guidance on the implementation of some articles of the labor code on the contents of labor contracts, collective bargaining council and occupations and jobs that adversely affect reproductive and child raising functions.

2020 – Circular 09/2020/TT-BLĐTBXH (dated 12 November 2020) detailed regulations and guidance on implementation of some articles of the labor code on juvenile workers.

2020 – Decree No. 145/2020/ND-CP (dated 14 December 2020) defining and providing guidance on the implementation of a number of contents of the 2019 Labor Code.

2023 – Law on Bidding (No. 22/2023/QH15) dated 23 June 2023.

Regulation of Pollution, Wastewater, Resources and Pesticide/Fertilizer Use and Imports

2007 – Law on Chemicals (No. 6/2007/QH12, dated 21 November 2007).

2007 – Decree No. 174/2007/ND-CP (dated 29 November 2007) on environmental protection charges for solid waste;

2007 – Circular No. 13/2007/TT-BXD (dated 31 December 2007) providing guidance on a number of articles of Decree No. 59/2007/ND-CP (dated 09/4/2007) by the government on solid waste management;

2009 – Strategy on cleaner industrial production to 2020 (Approved by Decision 1419/QĐ-TTg dated 07 September 2009).

2010 – Law on Saving Practices and Anti-extravagance (No. 44/2013/QH13, dated 26 November 2013).

2010 – Law Environmental Protection Tax (No. 57/2010/QH12 dated 15 November 2010).

2012 – Law on Water Resources (No. 17/2012/QH13, dated 21 June 2012), which addresses the management, protection, exploitation and use of water resources, as well as the prevention of, combat against and overcoming of harmful effects caused by water in the territory of the Socialist Republic of Vietnam.

2013 – Decree No. 25/2013/ND-CP (dated 29 March 2013) on environmental protection charges for wastewater

2014 – Decree No. 21/2011/ND-CP (dated 29 March 2011) detailing the law on economical and efficient use of energy and measures for its implementation.

2015 – Law on Natural Resources and Environment of Sea and Islands (No. 82/2015/QH13, dated 25 June 2015).

2015 – Circular No. 21/2015/TT-BNNPTNT (dated 8 June 2015) on management of plant protection products .

2015 – Decree 54/2015/ND-CP on subsidy for economical and efficient use of water.

2017 – Decree No. 113/2017/ND-CP (dated 09 October 2017) specifying and providing guidelines for implementation of certain articles of the Law on Chemicals.

2018 – Law on Economical and Efficient Use of Energy (No. 01/VBHN-VPQH, dated 29 June 2018).

2018 – Law on Chemicals (10/VBHN- VPQH, dated 26 September 2018) amending and supplementing a number of articles of Law on Chemicals no. 6/2007/QH12, Children's Law no. 102/2016/QH13 and some other laws.

2019 – Decree No. 09/VBHN-BTNMT (dated 05 October 2019) on the management of waste and scrap.

2020 – Decree No. 13/VBHN-BXD dated (17 April 2020) regulating drainage, and wastewater treatment.

2020 – Decree No. 53/2020/ND-CP (dated 5 May 2020) on Environmental Protection Fees as to Wastewater.

2022 – Decree No. 08/2022/ND-CP dated 10 January 2022 detailed regulations on some articles of the environmental protection law.

2022 – Circular No. 02/2022/TT-BTNMT (dated 10 January 2022) detailed provisions for implementation of some articles of the environmental protection law.

2023 – Decree No. 02/2023/ND-CP (dated 01 February 2023) detailing the implementation of some articles of the Law on Water Resources.

Community Health and Safety

2002 – Decree No. 71/2002/ND-CP (dated 23 July 2002) detailing the implementation of a number of articles of the ordinance on the state of emergency in case of great disasters or dangerous epidemics.

2006 – Law on HIV/AIDS Prevention and Control (No. 64/2006/QH11, dated 29 June 2006).

2007 – Law on Domestic Violence Prevention and Control (No. 02/2007/QH12, dated 21 November 2007).

2007 – Law on Prevention and Control of Infectious Diseases (No. 03/2007/QH12, dated 21 November 2007).

2007 - Law on Quality of Goods (dated 11 November 2007)

2008 – Law on Road Traffic (No. 23/2008/QH12, dated 13 November 2008).

2010 – Law on Food Safety (No.55/QH12/2010, dated 17 June 2010).

2013 – Law on Natural Disaster Prevention and Control (No. 33/2013/QH13, dated 19 June 2013), which provides natural disaster prevention and control activities; specifies the rights and obligations of agencies, organizations, households and individuals engaged in natural disaster prevention and control activities; and details the state management of, and assurance of resources for, natural disaster prevention and control.

2014 – Law on the People's Security Forces (No. 73/2014/QH13, 27 November 2014), which includes provisions for security of government projects under Article 15.

2015 – Circular No. 50/2015/TT-BGTVT (dated 23 September 2015) guiding the management and protection of road infrastructures.

2016 – Decree No. 96/2016/ND-CP (dated 01 July 2016) providing for security and order conditions for a number of conditional business sectors.

2018 – Decree No. 15/2018/ND-CP (dated 2 February 2018) detailing the implementation of some articles of the Food Safety Law. This decree replaces Decree No. 38/2012/ND-CP (dated 25 April 2012) which had previously regulated the implementation of a number of articles in the Law on Food Safety.

2018 – Decree No. 114/2018/ND-CP (dated 04 September 2018) on dam and reservoir safety management

2020 – Law no. 64/2020/QH14 (dated 16 November 2020) amending and supplementing a number of articles of the Law on HIV/AIDS Prevention and Control (No. 64/2006/QH11, dated 29 June 2006)

2020 – Law no. 60/2020/QH14 (dated 17 June 2020) amending and supplementing a number of articles of the law on natural disaster prevention and control and dike law

2021– Decree No. 06/2021 /ND-CP (dated 26 January 2021) on quality control and maintenance of construction works.

2021 – Circular No. 39//2021/TT-BGTVT (dated 31 December 2021) amending and supplementing some articles of circular no. 50/2015/TT-BGTVT dated 23 September 2015 of the Minister of Transport guiding the implementation of some articles of decree no. 11/2010/ND-CP dated 24 February 2010 of the Government regulating on management and protection of road infrastructures .

2023 – Decree No. 56/2023/ND-CP (dated 24 July 2023) Amending and supplying some articles of decree no. 96/2016/ND-CP dated 01 July 2016 providing security and order conditions for some conditional investment and business sectors, decree no. 99/2016/ND-CP dated 01 July 2016 on management and use of seals, decree no. 137/2020/ND-CP dated 27 November 2020 regulating on management and use of fireworks

Democratic Process, Citizen Engagement, Complaints, Land Use, and Resettlement

2007 – Ordinance No. 34/2007/PL-UBTVQH11 on the implementation of democracy at commune, ward, and township level (dated 20 April 2007). This ordinance replaces Decree No. 79/2003/ND-CP, dated 7 July 2003, promulgating the regulation on the exercise of democracy in communes, which had replaced Decree 29/1998 on grassroot democracy in communes.

2011 – Law on Complaints (No. 02/2011/QH13, dated 11 November 2011).

2011 – Law on Denunciation (No. 03/2011/QH13, dated 11 November 2011).

2012 – Decision No. 52/2012/QĐ-TTĐ (dated 16 November 2012) on the support policies regarding employment and vocational training to farmers whose agricultural land has been recovered by the state.

2013 – Law on Reception of Citizens (No. 42/2013/QH13, dated 25 November 2013).

2013 – Decree No. 60/2013/ND-CP (dated 19 June 2013) detailed regulations for Item 3, Article 63 of the Code of Labor on Regulations for Implementing Grassroots Democracy at workplaces (Vietnamese).

2013 – The Constitution of Vietnam.

2013 – Land Law (No. 45/2013/QH13, dated 29 November 2013), which prescribes the regime of land ownership, powers and responsibilities of the State in representing the entire-people owner of land and uniformly managing land, the regime of land management and use, and the rights and obligations of land users involving land in the territory of the Socialist Republic of Vietnam.

2014 – Decree No. 43/2014/ND-CP (dated 15 May 2014) providing detailed guidance for some articles of Land Law (Vietnamese).

2014 – Decree No. 44/2014/ND-CP (dated 15 May 2014) specifying methodology for land pricing; adjustment to land price brackets, land price lists; specific land pricing and land price consultancy activities (Vietnamese).

2014 – Circular No. 30/2014/TT-BTNMT (2 June 2014) regulating records for land allocation or lease, change of land-use purposes, and land acquisition and recovery.

2014 – Decree No. 47/2014/ND-CP (dated 15 May 2014) providing detailed guidance on compensation, assistance, and resettlement when land is acquired by the State (Vietnamese).

2014 – Decree No. 104/2014/ND-CP date 14 November 2014 of the Government on the land price frame.

- 2014 – Circular No. 36/2014/TT-BTNMT (dated 30 June 2014) regulating method of valuation of land, construction, land price adjustment, specific land valuation and land valuation advisory.
- 2014 – Circular No. 37/2014/TT-BTNMT (dated 30 June 2014) regulating compensation, assistance and resettlement when the State acquires land (Vietnamese).
- 2014 – Law on Dissemination and Education of Legal Documents (No. 14/2012/QH13, dated 20 June 2012).
- 2014 – Decree No. 64/2014/ND-CP (dated 26 June 2014) providing detailed guidance on implementation of some articles from Law on Reception of Citizens.
- 2015 – Decree No. 04/2015/ND-CP (dated 9 January 2015) on Implementing Grassroots Democracy in activities of State administrative organs and public non-business units.
- 2015 – Civil Code (No. 91/2015/QH13, dated 24 November 2015).
- 2016 – Law on Access to Information (No. 104/2016/QH13, dated 6 April 2016).
- 2017 – Decree No. 01/2017/ND-CP (dated 6 January 2017) modifying, supplementing some decrees providing detailed regulations on implementing Land Law.
- 2018 – Decree No. 13/2018/ND-CP (dated 23 January 2018) providing detailed regulations and measures for implementing Law on Access to Information (Vietnamese).
- 2019- Decree No.91/2019/ND-CP (dated November 19, 2019) on sanctioning of administrative violations in the field of land
- 2020- Decree No.06/2020/ND-CP (dated 03/01/2020) on amending and supplementing Article 17 of the Government’s Decree No. 47/2014/ND-CP dated May 15, 2014 on compensation, support and resettlement upon land recovery by the State
- 2020- Decree No.148/2020/ND-CP (dated December 18, 2020) on amending and supplementing a number of decrees that make details of the implementation of the Land Law

Biodiversity and Management of Living Natural Resources

- 2008 – Law on Biodiversity (No. 20/2008/QH12, dated 13 November 2008), which provides for the conservation and sustainable development of biodiversity; rights and obligations of organizations, households and individuals in the conservation and sustainable development of biodiversity.
- 2010 – Decree No.65/2010/ND-CP on Detailing and Guiding a Number of Articles of the Biodiversity Law, providing details and guides the implementation of a number of articles of the Biodiversity Law regarding biodiversity conservation planning, conservation zones, conservation and sustainable development of organisms and conservation and sustainable development of genetic resources.
- 2014 – Decision No. 45/QD-TTg (dated 8 January 2014) regarding approval of Master Plan of Nation-Wide Biodiversity Conservation by 2020, with a Vision to 2030.
- 2015 – Decision 1107/QD-BTNMT on list of conservation areas.
- 2017 – Law on Forestry (No. 16/2017/QH14, dated 15 November 2017) which provides for the management, protection, development and use of forests; and forest owners’ rights and obligations.
- 2018 – Circular 35/2018/TT-BTNMT (dated 28 December 2018) regulating criteria for identification of invasive alien species

2018 – Law on Biodiversity (No. 32/VBHN- VPOH, dated 10 December 2018) amending and supplementing a number of articles of the Law on Biodiversity no. 20/2008/QH12 (dated 13 November 2008)

2022 – Decision No.149/QĐ-TTg (dated 28 January 2022) on the National Biodiversity Strategy to 2030, vision to 2050 which identifies a number of priority programs and projects aimed at preserving the biodiversity of Vietnam.

Ethnic Minorities

2002 – Decision No. 132/2002/QĐ-TTg (dated 08 October 2002) of the Prime Minister on redistributing production and residential land for ethnic minority people in Central Highlands.

2005 – Decision No. 304/2005/QĐ-TTg (dated 23 November 2005) on the Pilot Allotment of Forests and Contractual Assignment of Forests for Protection to Ethnic Minority Households and Communities in Hamlets and Villages in the Central Highlands Provinces.

2010 – Decree No.82/2010/ND-CP (dated 15 July 2010) on teaching and learning of spoken languages, writings of ethnic minorities in primary and secondary schools and regular training centers (Vietnamese).

2011 – Circular No. 02/2011/TT-UBND (dated 15 July 2011) providing regulations on reception of citizens and settlement of complaints, denunciations of Committee on Ethnic Minorities (Vietnamese).

2011 – Decree No. 05/2011/ND-CP (dated 14 January 2011) on ethnic minority works.

2012 – Joint Circular No. 01/2012 TTLT-BTP-CEM (dated 17 January 2012) of the Ministry of Justice and the Committee for Ethnic Minorities on guidelines and legal assistance for ethnic minorities (Vietnamese).

2012 – Decision No. 449/QĐ-TTg (dated 12 March 2012), approving the ethnic minority affairs strategy through 2020.

2013 – Joint Circular No. 05/2013/TTLT-CEM-ARD-MPI-TC-XD (dated 18 November 2013) providing guideline of program 135 on support infrastructure investment, production development for extremely difficult communes, border communes, particularly difficult villages (Vietnamese).

2015 – Decree No. 39/2015/ND-CP (dated 27 April 2015) on assistance policy applied to ethnic minority and poor women

2016 – Decision No. 38/QĐ-UBND (dated 29 January 2016) on regulations on implementing grassroots democracy within activities of the Committee on Ethnic Minorities (Vietnamese).

2017- Decision No. 59/QĐ-TTg (dated January 16, 2017) on the issue of newspapers and magazines for ethnic minority, mountainous and particularly disadvantaged areas

2018- Decision No. 12/2018 /QĐ-TTg (dated 6 March, 2018) on criteria for selecting and recognizing prestigious people and policies for prestigious people in ethnic minority

2019 - Resolution No. 88/2019/NQ14 (dated 18/11/2019) on approving Master Plan for socioeconomic development of ethnic minority and mountainous regions for the 2021-2030 period:

2020- Decision No. 460/QĐ-UBND (dated 21 August 2020) on promulgating the action program to implement the socioeconomic development plan in ethnic minority and mountainous areas for the period 2021- 2025

- 2020- Decision No.33/2020/QĐ-TTg (dated 12 November 2020) on Criteria to delineate regions of ethnic minorities and mountainous areas by development level in the period 2021 - 2025
- 2021- Decision No. 1719/QĐ-TTg (dated 14 October 2021) on approving the National Target Program on Socio-Economic Development in Ethnic Minority-Inhabited and Mountainous Areas in the 2021-2030 period, phase I: from 2021 to 2025
- 2021- Decision No. 861/QĐ-TTg (dated 4 June 2021) on approving the list of especially difficult hamlet, commune under III area, II area and I area of ethnic minority and mountainous areas in the period of 2021 - 2025
- 2022- Circular No. 10/2022/TT-BYT (dated September 22, 2022) on providing guidance on investment and supporting contents for development of rare herb planting areas under the national target program for socio-economic development of ethnic minority and mountainous regions in 2021 - 2030 period, stage I: from 2021 to 2025

Cultural Heritage

- 2013 – Law on Cultural Heritages (No. 10/VBHN-VPQH dated 23 July 2013).
- 2010 – Decree No. 98/2010/ND-CP (dated 21 September 2010) providing detailed guidance on implementation of some articles from Law Cultural Heritage and Amended Law on Cultural Heritage.
- 2012 – Decree 70/2012/ND-CP (18 September 2012), specifying authority, steps, procedures, approving master plan, projects for preservation, rehabilitation, restoration of historical and cultural heritages, places of interest). The decree protects cultural heritage recognized by State as well as the community “belief establishments” including sacred mountains, rivers and other land protected by local people for the purpose of traditional cultural rituals including those for ethnic minority communities.
- 2013 – Merging Document for Law on Cultural Heritage (No. 10/VBHN-VPQH, dated 23 July 2013).
- 2013 – Joint Circular No. 19/2013/TTLT-BVHTTDL-BTNMT (dated 30 December 2013) providing guidance on environmental protection for tourism activities, festival organization and the protection and promotion of heritage values.
- 2016 – Law on Belief and Religion (No. 02/2016/QH14 dated 18 November 2016).
- 2017- Decree 109/2017/ND-CP (dated 21 September 2017) on protection and management of World Cultural and Natural Heritage in Vietnam.

CROSS-CUTTING PROJECT-RELATED LEGISLATION:

- 2006 – Law on Gender Equality (No.73/2006/QH11, dated 29 November 2006) is currently being updated. The Women’s Union maintains a strong network down to commune level, while the Department of Gender Equality under the Ministry of Labour, Invalids and Social Affairs (MOLISA) has a coordination role among all ministries to promote gender mainstreaming.
- 2008 – Decree No. 70/2008/ND-CP, dated 4 June 2008, providing detailed guidance on implementing some articles from the Law of Gender Equality (Vietnamese).
- 2012 – Circular No. 45/2012/TT-BCT (dated 28 December 2012) providing in-process inspection of food quality and safety under the state management MOIT.
- 2014 – Marriage and Family Law (No. 52/2014/QH13, dated 19 June 2014), which highlights principles of equality between husband and wife and of non-discrimination

among children, confirms that husbands and wives may represent each other in any transaction. It also specifies the rights of women cohabitating without marriage.

2014 – Construction Law (No. 50/2014 /QH13, dated 18 June 2014).

2017 – Law on Planning (No. 21.2017.QH14, dated 24 November 2017).

2018 – Law on Standards and National Technical Standards (No. 31/VBHN-VPQH, dated 10 December 2018)

2019 – Public Investment Law (No. 39/2019/QH14, dated 13 June 2019) providing for the management and use of the capital budget for public investment; the state management of public investment; the right, obligation and responsibility of agencies, organizations and individuals involved in public investment activities.

2020 – Investment Law (No. 61/2020/QH14, dated 17 June 2020) prescribing business investment activities in Vietnam and offshore business investment activities from Vietnam.

2020 – Law no. 62/2020/QH14 (17 June 2020) amending and supplementing a number of articles of the Construction Law (No. 50/2014 /QH13, dated 18 June 2014).

2020 – Law on Residence (No: 68/2020/QH14, dated 12 November 2020).

2020 – Decree No. 41/2020/ND-CP (dated 8 April 2020) on the extension of deadlines for payments of taxes and land rental fees, in order to support businesses suffering from the COVID-19 pandemic.

2021 – Decree 62/2021/ND-CP dated 29 June 2021 providing details on some articles and implementation measures for the Law on Residence.

2021 – Circular No. 55/2021/TT-BCA (dated 15 May 2021) detailing for implementation of the Law on Residence (No. 68/2020/QH14, dated 12 November 2020).

2021 – Decision No. 1658/QĐ-TTg, dated 01 October 2021) approving National Strategy on Green Growth.

2022 – Decision No. 882/QĐ-TTg (dated 22 July 2022) approving National Action Plan on Green Growth for the period from 2021-2030.

2022 – Decision No. 896/QĐ-TTg (dated 26 July 2022) approving National Strategy for Climate Change.

33. In addition to the above laws and regulations, the following technical guidelines pertaining to environmental quality should be observed during the assessment of potential impacts and throughout project implementation:

- QCVN 14:2008/BTNMT: National Technical Regulation on Domestic Wastewater;
- QCVN 40:2011/BTNMT: National Technical Regulation on Industrial Wastewater;
- QCVN 39:2011/BTNMT: National Technical Regulation on Water Quality for Irrigated Agriculture;
- QCVN 38:2011/BTNMT: National Technical Regulation on Surface Water Quality for Protection of Aquatic Life;
- QCVN 08 :2023 /BTNMT – National Technical Regulation on Surface Water Quality;
- QCVN 09 :2023 /BTNMT – National Technical Regulation on Groundwater Quality;
- QCVN 43:2017 /BTNMT - National Technical Regulation on Sediment Quality in Fresh Water Areas;
- QCVN 15:2008/BTNMT: National Technical Regulation on Pesticide Residues in the Soils;

- QCVN 07:2009/BTNMT : National Technical Regulation on Hazardous Waste Thresholds;
- QCVN 03-MT:2015/BTNMT : National Technical Regulation on Permitted Limit of Heavy Metals in Land;
- QCVN 03:2023/BTNMT: National Technical Regulation on Soil Quality
- QCVN 05:202 3: National Technical Regulation on Ambient Air Quality;
- QCVN 06:2008: National Technical Regulation on Hazardous Substances in Ambient Air;
- QCVN 26:2010/BTNMT: National Technical Regulation on Noise; and
- QCVN 27:2010/BTNMT: National Technical Regulation on Vibration;

34. Laws Pertaining to Ethnic Minorities and Gender Equality: A deep-dive of laws pertaining to ethnic minorities and gender equality/women's rights are available in the supporting Indigenous Peoples' Plan and Gender Assessment and Action Plan documents. For the sake of brevity, those laws are not covered in detail within this ESCMF and project reviewers, implementers, and managers are advised to refer directly to those documents for further information.

35. Changing Nature of Laws and Regulations: These laws, regulations, and guidelines (etc.) may change over time throughout the project. In instances where changes occur, e.g. via an amendment or a newer law/regulation/guideline/etc. repealing one of those previously listed, the project should comply with the most up-to-date legislation.

3.2 Application of IFAD Environmental, Social, and Climate Risks Standards/Procedures

36. Based on the IFAD SECAP guideline 2021, the following safeguards documents were prepared: (i) Environmental, Social, and Climate Management Framework (ESCMF) with Environmental, Social, and Climate Management Plan (ESCMP); (ii) FPIC implementation Plan; (iii) Ethnic Minority Plan (EMP Plan); (iv) Stakeholder Engagement Plan (SEP); (v) Resettlement Action Plan (RAP) and (vi) Gender Assessment & Action Plan (GAP). The documents have been publicly disclosed in advance of implementation and board approval to respect the Pelosi Amendment¹ as a best practice, even though the project is not high (the risk rating is substantial), and the documents collectively respond to the safeguards standards described below.

Environment and Social Standards (ESSs) relevant to the Project

37. The application of environmental assessment policies in Vietnam, as well as various efforts directed to policy harmonization between the Government of Vietnam and its donors, has gradually narrowed the gap between the national system and IFAD policies. IFAD stipulates that IFAD-funded projects must meet their environmental and social standards which were designed to avoid, minimize, reduce or mitigate the adverse environmental, climate and social risks and impacts of projects. These standards include:

- Standard 1: Biodiversity Conservation;
- Standard 2: Resource Efficiency and Pollution Prevention;
- Standard 3: Cultural Heritage
- Standard 4: Indigenous Peoples
- Standard 5: Labour and Working Conditions
- Standard 6: Community Health and Safety;
- Standard 7: Physical and Economic Resettlement;
- Standard 8: Climate Change

¹ The 1989 Pelosi Amendment requires disclosure of environmental impacts at least 120 days prior to board approval for high- and sometimes substantial-risk projects (URL: <https://www.gao.gov/archive/2000/ns00192.pdf>)

38. Not explicitly listed as a standard, but considered a vital part of project design, implementation, and safeguarding is stakeholder engagement. Provisions to ensure meaningful engagement are provided within the Stakeholder Engagement Plan and initial feedback and engagement was mainstreamed into the CRWIS project design.

39. The scope and relevance of the safeguards standards are described in Table 2.

Table 2: Scope and Relevance of Safeguards Standards to CRWIS project

Safeguards Standard	Scope & Relevance to CRWIS Project
<p>Standard 1: Biodiversity Conservation</p>	<p>Scope: In accordance with the Convention on Biological Diversity (CBD), this standard recognizes that biodiversity is about more than plants, animals and micro-organisms, and includes people and their need for food security, medicines, fresh air and water, shelter, and a clean and healthy environment. Key objectives include:</p> <ul style="list-style-type: none"> ● Maintain and conserve biodiversity ● Ensure the fair and equitable sharing of benefits from the utilization of generic resources; ● Respect, preserve, maintain, and encourage knowledge, innovations, and practices of indigenous peoples and local communities relevant for the conservation and sustainable use of biodiversity, and their customary use of biological resources; and ● Adopt a precautionary approach to natural resource conservation and management to ensure opportunities for environmentally sustainable development. <p>Relevance:</p> <ol style="list-style-type: none"> 1. Protected areas / biodiversity and project geographic location: One of the project communes in Nghe An province is the buffer zone of a protected area – Pu Mat National Park (although the CRWIS targeted hamlets are not). In case of Thanh Hoa province, the target hamlets have not been identified; if hamlets that fall within external or internal buffer zone of Sen Tam Quy National Park are selected at early implementation / implementation stage, that will need to be considered and mitigated/avoided. Riverbank erosion – a historic occurrence due to upstream developments and environmental degradation – is of general concern in Vietnam. CRWIS occurs in areas with some levels of soil degradation and in areas that require soil / land management to reduce the risk of droughts, floods, and erosion. 2. Component 1 infrastructure activities that may interact with or influence riverine biodiversity (flora on riverbanks, aquatic species in the river): In Vietnam, water extraction from rivers is well below environmental flows. However, the effect of water withdrawals for irrigation, and of course the effect of irrigation upgrade itself on biodiversity will need to be considered and mitigated. 3. Component 2 agricultural activities that involve aquaculture, and timber (acacia, bamboo) or non-timber forest products: Households are engaged in plantation activities to produce timber, herbal teas, etc. While target value chains of Component 2 are not finalized, if activities that households undertake in specially demarcated areas (“production forests”), this will need to be considered. There is a very low risk of expansion of plantation activities which may encroach on forested areas or result in over-use of forest resources. Aquaculture activities in Thanh Hoa may directly affect the diversity of aquatic species or indirectly through wastewater release and freshwater withdrawals.
<p>Standard 2: Resource Efficiency and</p>	<p>Scope: This Standard recognizes that economic activity and development can often pollute the air, water, and land. They may also result in the consumption of finite resources, which may in turn threaten people,</p>

Safeguards Standard	Scope & Relevance to CRWIS Project
Pollution Prevention	<p>ecosystem services and the environment. It advocates for a precautionary approach with the following objectives:</p> <ul style="list-style-type: none"> ● Avoid, minimize and manage the risks and impacts associated with hazardous substances and materials, including pesticides; ● Avoid or minimize project-related emissions of short- and long-lived climate pollutants; ● Promote more sustainable use of resources, including energy, land and water; and ● Identify opportunities for improving resource efficiency. <p>Relevance:</p> <ol style="list-style-type: none"> 1. Component 1 infrastructure upgrade and pollution impacts: Civil works and upgrades may contribute to increased noise, water/soil, or air pollution. 2. Component 2 agriculture activities and pollution impacts: Historically, wastewater released from aquaculture ponds in Thanh Hoa is, by and large, untreated. There is some risk that project activities that reduce drought risk or provide flood protection will incentivize higher investments in agricultural intensification – resulting in increased use of agro-chemicals. Some project activities pertaining to CSA activities will result in the generation of waste (e.g., rice straw). Finally, activities that promote integrated fertilizer management, including the production of organic manure, will need to consider safe handling of inputs (e.g., risks can be reduced through introduction of compost turners) and train agricultural cooperatives as needed. 3. Other historic activities and impacts: Poor management of solid waste and wastewater from domestic users in rural areas may pollute irrigation canals or water. Historic pollution of air and water due to existing sand mining activities (particularly in Thanh Hoa) will need to be considered and mitigated.
Standard 3: Cultural Heritage	<p>Scope: This Standard recognizes that cultural heritage is central to individual and collective identity and memory, providing continuity between the past, present, and future. Objectives include:</p> <ul style="list-style-type: none"> ● Preserve and safeguard cultural heritage; ● Ensure that active efforts are made to prevent IFAD-supported projects from altering, damaging or removing any tangible or intangible cultural heritage; ● Promote the equitable sharing of benefits from the use of cultural heritage; and ● Promote meaningful consultation on matters related to cultural heritage. <p>Relevance:</p> <ol style="list-style-type: none"> 1. Tangible heritage: At design stage, no cultural heritage was identified in or nearby the project area. This standard is relevant insofar as future construction activities under Component 1 that involve earth movement may result in chance-finds of objects or artifacts pertaining to cultural heritage, and/or may temporarily disrupt access to cultural heritage sites. 2. Intangible heritage: Component 2 activities that enable linkage of Ethnic Minorities to commercial markets for traditional products (herbal tea, timber, etc.) will need to be addressed together with Standard 4.
Standard 4: Indigenous Peoples	<p>Scope: This standard focuses on the rights of Indigenous Peoples and promotes the following objectives:</p> <ul style="list-style-type: none"> ● Support indigenous peoples to determine priorities and strategies for exercising their right to development;

Safeguards Standard	Scope & Relevance to CRWIS Project
	<ul style="list-style-type: none"> • Ensure that each project is designed in partnership with indigenous peoples and with their full, effective and meaningful consultation, leading to FPIC; • Ensure that indigenous peoples obtain fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner; and • Recognize and respect the rights of indigenous peoples to the lands, territories, waters and other resources that they have traditionally owned, used or relied upon. <p>Relevance:</p> <p>1. Presence of Ethnic Minorities and Ethnic Minorities as project beneficiaries: During the design, Ethnic Minorities were identified in one commune (Chau Khe commune – Con Cuong district – Nghe An province). In all other areas, the presence of Ethnic Minorities is negligible (often as people who married into Kinh households). It is possible that land acquisition (of private agricultural land or public land) or temporary disruptions during Component 1 infrastructure upgrade activities may affect land or territories claimed by Ethnic Minorities. Component 2 activities that enable linkage of Ethnic Minorities to commercial markets for traditional products (herbal tea, timber, etc.) will need to be addressed together with Standard 3.</p>
Standard 5: Labour and Working Conditions	<p>Scope: This standard is focused on fostering inclusive, diversified, and productive rural economies that create opportunities for decent work and higher incomes. Objectives of this standard are to:</p> <ul style="list-style-type: none"> • Promote direct action to foster decent rural employment; • Promote, respect and realize fundamental principles and rights⁶⁰ by: <ul style="list-style-type: none"> ○ Preventing discrimination and promoting equal opportunities for workers; ○ Supporting freedom of association and the right to collective bargaining; and ○ Preventing the use of child labour and forced labour; • Protect and promote the safety and health of workers; • Ensure that projects comply with national employment and labour laws, and international commitments; • Leave no one behind by protecting and supporting workers in disadvantaged and vulnerable situations, including women (e.g. maternity protection), young workers, migrant workers, workers in the informal economy and workers with disabilities. <p>Relevance:</p> <p>1. Component 1 construction and civil works: Infrastructure upgrades and civil works will involve contractual labour, largely from local communities. Contractual conditions will need to consider and mitigate the risk of child labour, forced labour, ethnicity-based discrimination, poor working conditions, and Gender-Based Violence.</p> <p>2. Component 2 agriculture and aquaculture activities: Smallholder value chains prevalent or considered for introduction in project areas (rice, maize, fruits and vegetables, fish, etc.) have a low risk of child or forced labour.</p>
Standard 6: Community	Scope: This standard stresses avoiding – and where avoidance is not possible, minimizing and mitigating – health-related and safety-related

Safeguards Standard	Scope & Relevance to CRWIS Project
Health and Safety	<p>risks and impacts that may arise from IFAD-supported projects, with special attention to marginalized and disadvantaged groups. Objectives include to:</p> <ul style="list-style-type: none"> • Ensure quality and safety in the design and construction of programming-related infrastructure, preventing and minimizing potential safety risks and accidents; • Avoid or minimize community exposure to disaster risks, diseases and hazardous materials associated with project activities; • Ensure that the safeguarding of personnel and property minimizes risks to communities and is carried out in accordance with international human rights standards and principles; and • Have in place effective measures to address emergency events, whether human-made or natural hazards. <p>Relevance:</p> <p>1. Risks from failure of structural elements: Since floods and flash floods are climate risks in the project area, there is some inherent risk of structural failures of canals, dykes, and pumping stations which will need to be considered and mitigated through design specifications.</p> <p>2. Other risks to community health and safety: Other risks, rated as low or moderate, that need to be mitigated include vector-borne diseases (malaria, dengue), Gender-based Violence, and disruptions from alterations in traffic flow during infrastructure upgrade.</p>
Standard 7: Physical and Economic Resettlement	<p>Scope: This Standard not only considers resettlement as the physical relocation of people but as economic, social and cultural displacement restricting people's access to livelihoods and culturally important sites. Objectives include to:</p> <ul style="list-style-type: none"> • Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring alternative project designs and sites; • Avoid forced eviction; • Ensure that resettlement activities are planned and implemented collaboratively with the meaningful participation of affected people; • Enhance and restore the livelihoods of all displaced peoples; and • Provide explicit guidance to borrowers/recipients/partners on the conditions that need to be met regarding involuntary resettlement. <p>Relevance:</p> <p>No physical displacement of households is anticipated, and if this comes up at early implementation, this will be avoided through alternative engineering designs.</p> <p>1. Land acquisition: Project anticipates permanent acquisition of land to rehabilitate existing main canal/secondary canal, build new, short secondary canal sections under a few subprojects. Based on the potential list of civil works prepared by Thanh Hoa and Nghe An, about 8,000 m² of private land may be acquired permanently affecting an estimated 248 households (averaging less than 5% of agricultural landholding for each individual household).</p> <p>2. Temporary land impacts: During infrastructure upgrade, by and large, public land will be used for workers camp and storage purposes (equipment, construction material). Where public land is not available, private land might be needed. There might be temporary disruptions to crop or aquaculture activities (e.g., if ponds are drained during dyke upgrades or access to irrigation is curtailed during canal upgrades). It is estimated that 4,229 households will be affected temporarily in Nghe An, and 2,068 households in Thanh Hoa (averaging 31m² per households).</p>

Safeguards Standard	Scope & Relevance to CRWIS Project
	Temporary impacts are short duration, localized due to contractor’s construction activities, and impacts can be reduced through timing (e.g., dyke upgrades to occur in off-season for aquaculture). Finally, some local shops and business might be affected temporary due to restricted access (for customers).
Standard 9: Climate Change	<p>Scope: This standard is focused actively considering, planning for, and responding to projected climate changes. Objectives include to:</p> <ul style="list-style-type: none"> ● Ensure alignment of IFAD-supported projects with the Nationally Determined Contributions of countries and the goals of the Paris Agreement and other international frameworks; ● Ensure that proposed activities are screened and assessed for climate change and disaster risks and impacts, including both impacts of projects and on them; ● Apply the mitigation hierarchy in project design; ● Strengthen the resilience of communities to address the risk of climate change impacts and climate-related disasters; and ● Increase the ability of communities to adapt to the adverse impacts of climate change, and foster climate resilience and low GHG-emitting projects that do not threaten food production. <p>Relevance: This standard is directly relevant to the project given the project’s focus on climate adaptation and resilience as well as Viet Nam’s vulnerability to climate change. The climate risk classification for CRWIS is Substantial. According to the Provincial Climate Change reports, the provinces targeted by CRWIS belong to Northern Central Vietnam which is experiencing (and will continue to experience) increased temperature, increased number of hot days, erratic rain – resulting in or worsening droughts, flash floods, landslides, and salinity intrusion. There is substantive local and traditional knowledge that has influenced autonomous adaptation actions, and the government has provided some support to agricultural activities (e.g., making available stress-tolerant seeds) but systemic issues (such as poor infrastructure) and inadequate consideration of climate change aspects in planning remains a barrier to effective adaptation.</p>

3.3 Gap Analysis and Gap Filling Measures

40. Building on existing country assessments, a full Country System Framework Assessment (focused on Safeguards) for Viet Nam was conducted by the World Bank in late 2018/early 2019 and is relevant to the assessment of gaps and gap-filling measures also for CRWIS. The assessment identified key gaps between the county’s legal system and international recognized environmental and social standards (e.g. IFC, World Bank, IFAD) and priority needs to ensure full compliance of the ESSs. The conclusion was that Vietnam has a comprehensive regulatory framework that in many cases meets the requirements of the ES standards, and key issues are more associated with implementation and differentiated capacities between the provinces. There are opportunities to accelerate implementation of recent improvements in the country system, especially on labour and working condition, community safety, and stakeholder engagement.
41. Based on the project’s substantial risk rating for environment, social, and climate considerations, national regulations are adequate for most of the investments, while additional gap-filling measures will be used if a sub-project requires preparation of an Environmental and Social Impact Assessment (ESIA) – not currently foreseen during the design of project, but accounted for nonetheless – for some of the civil works so that contractors and implementation partners can adequately address issues related to contract management, safety of local communities, and workers (See appendix 11 for TOR for ESIA). Capacity building efforts pertaining to regulation and oversight are also incorporated

as part of the safeguards management of the CRWIS project and as part of the project design.

42. For Environmental and Social Assessments, Table 3 (below) summarizes the key differences identified in the recent (2019) Country System Framework Assessment conducted by the World Bank between international safeguards standards/ESA processes (relevant/applicable also to IFAD standards) and Viet Nam's national Environmental Impact Assessment (EIA) requirements, along with gap-filling measures to be used during the project.
43. For Standard 5 on Labour and Working Conditions, Vietnam already has in place a relatively comprehensive (and evolving) framework for labour and working conditions. The Labour Code (2019) is the most recent legislation that enhances and protects better the rights of labourers. Various decrees and circulars have been issued under this Law to guide the implementation of the Labour Code. In terms of international labour conventions, the government has ratified various ILO Conventions such as C029 Forced Labor, C081 Labor Inspection, C100 Equal Remuneration, C111 Discrimination (Employment and Occupation), C138 Minimum Age (age specified: 15 years), the C182 Worst Forms of Child Labor, C155 Occupational Health and Safety; and C187 Promotional Framework for Occupational Safety and Health. Convention C098 on the Right to Organize and Collective Bargaining also entered into force as of 5 July 2020. Vietnam is also working towards the ratification of: C087 Freedom of Association and Protection of the Right to Organize; and C105 Abolition of Forced Labour.
44. Systematic labour inspection heavily relies on self-reporting, especially when construction contractors and primary suppliers are involved. For this reason, a template for labor management procedures must be included in bidding documents of contracted workers. For primary suppliers of materials, the practice of conducting due diligence on labour and working conditions among potential sources of aggregate material is uncommon. Therefore, a monitoring procedure must be established prior to commencement of related works, and the site-specific ESIA must assess potential labour issues, including risks of child and forced labour for suppliers and in the value chains relevant for the CRWIS project, and other health hazards on workers due to waste management and handling of any related hazardous materials during construction to ensure compliance with national laws and Standard 5. The Lead Agency of the CRWIS project must ensure that OHS procedures and a working grievance redress mechanism are stipulated within the contract, including the system for monitoring third party contractors' compliance with the agreed OHS procedures and GRM.

Table 3: Gaps Analysis supported by the recent (2019) Country System Framework Assessment funded by the World Bank, comparing international ESA requirements (e.g. those applied by WB, IFAD etc) and Viet Nam's national EIA Processes. ***includes gap-filling measures specific to CRWIS (based on IFAD requirements) in the final column

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
Objectives	<ul style="list-style-type: none"> In alignment with the IFC performance standards and other International Financing Institutions (e.g. IFAD, ADB, etc.), the WB applies its Environment and Social Framework (ESF) describing 10 Environmental and Social Standards (ESSs) – equivalent to IFAD’s 9 Standards, with the addition of an explicit standard on stakeholder engagement – which are designed to avoid, minimize, reduce or mitigate the adverse E&S risks and impacts of projects. 	<ul style="list-style-type: none"> Investment projects are required to submit EIA or EPP for approval 	<ul style="list-style-type: none"> To be eligible for financing, IFAD SECAP standards will be applied.
Screening	<ul style="list-style-type: none"> The WB, like IFAD, classifies all projects into one of four risk classifications: <i>high risk, substantial risk, moderate risk, or low risk</i>. In determining the appropriate risk classification, the WB will take into account relevant issues, such as the type, location, sensitivity, and scale of the project; the nature and magnitude of the potential E&S risks and impacts; and the capacity and commitment of the Borrower (including any other entity responsible for the implementation of the project) to manage the E&S risks and impacts in a manner consistent with the ESSs. 	<ul style="list-style-type: none"> Categories: I, II, III and IV of Decree 40/2019. Prescriptive, fixed regulated in Annex I, II and III – List of projects subject to requirements of SEA and EIA report submittal and approval. All projects are not listed. Normally the project owners self-screen the project based on the categorization indicated in Decree 40/2019 and consult the Provincial Department of Natural Resources and Environment (DONRE) or 	<ul style="list-style-type: none"> Since the CRWIS is classified by IFAD as “substantial risk”, national laws must be complemented by gap-filling measures when the PMU’s screening of candidate sub-projects (as per the screening criteria in the Annexes)

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
	<ul style="list-style-type: none"> Other areas of risk may also be relevant to the delivery of E&S mitigation measures and outcomes, depending on the specific project and the context in which it is being developed. These could include legal and institutional considerations; the nature of the mitigation and technology being proposed; governance structures and legislation; and considerations relating to stability, conflict or security. The WB will disclose the project's classification and the basis for that classification on the WB's website and in project documents. 	<p>Vietnam Environment Administration (VEA) for the appropriate classification and EA report requirement of the project, such as:</p> <ul style="list-style-type: none"> Project falls into Annex I, II, III: SEA or EIA required Project falls into Annex IV: no EIA and Environmental Protection Plan (EPP) required Project is not I, II, III and IV: EPP required 	<p>deems gap-filling necessary.</p>
<p>ESA instrument</p>	<ul style="list-style-type: none"> Depending on the project risks and impact, a range of instruments and procedures are required to meet the standards' objectives, which may include: ESIA; ESA ESCMF; ESCMPs; hazard or risk assessments; environmental and social audits; cumulative impact assessments; and social and conflict analysis. The WB provides general guidance for implementation of each instrument. Based on information provided by the Borrower, the WB will conduct E&S due diligence for all projects requesting for WB support. The Borrower will be required to prepare, submit, and disclose the Environmental and Social Commitment Plan (ESCP) and the Stakeholder 	<ul style="list-style-type: none"> The type of EA instruments such as SEA, EIA or EPP is decided based on Annex I, II, III and IV of Decree 40/2019. 	<ul style="list-style-type: none"> Preparation of an ESCMF, site-specific ESCMPs, EM Plan, SEP, and Gender Action Plan for the Project is required to meet IFAD's SECAP standards, while an EIA, IEE, or EP will be prepared to meet GOV requirements when deemed required through screening.

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
	Engagement Plan (SEP) to WB before appraisal, along with any relevant additional documentation (ESCMF, LMP).		
Scope and clearance	<ul style="list-style-type: none"> The WB will require the Borrower to carry out appropriate E&S assessment (ESA) of subprojects, and prepare and implement such subprojects, as follows: (a) <i>high risk</i> subprojects, in accordance with the ESSs; and (b) <i>substantial risk, moderate risk</i> and <i>low risk</i> subprojects, in accordance with national law and any requirement of the ESSs that the Bank deems relevant to such subprojects. If the WB is not satisfied that adequate capacity exists on the part of the Borrower, all <i>high risk</i> and, as appropriate, <i>substantial risk</i> subprojects will be subject to prior review and approval by the WB until it is established that adequate capacity exists. If the risk rating of a subproject increases to a higher risk rating, the WB will require the Borrower to apply relevant requirements of the ESSs in a manner agreed with the WB. These agreed measures and actions will be included in the ESCP (effectively updating the ESCP) and monitored by the WB. The WB helps Borrower draft the TOR for ESA report and identify the scope of ESA, procedures, schedule and outline of the ESA report. 	<ul style="list-style-type: none"> TOR for ESA is provided in the ESCMF Annexes. Normally after consultation with the local DONRE or VEA for the EIA category, the project owner will proceed with EIA report preparation. 	<ul style="list-style-type: none"> The ESCMF, site-specific ESCMPs, SEP, EM Plan, and Gender Action Plan for the project and subproject sites will be submitted to the project's Lead Safeguards Specialist for initial clearance, and final clearance by IFAD in the case of framework documents. To comply with GOV requirements, any EIAs, IEEs, or EPs prepared for subprojects will be submitted to the GOV for approval.

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
	<ul style="list-style-type: none"> WB prior clearance is required if the implementing agency does not have adequate capacity to ensure effective implementation of the required mitigation measures. 		
Public consultation, stakeholder engagement, and GRM	<ul style="list-style-type: none"> During the ESA process, the Borrower consults project affected groups and local NGOs about the project's environmental aspects and takes their views into account. In line with ESS10, preparation of a Stakeholder Engagement Plan (SEP), information disclosure, and establishment and operations of a GRM are required to ensure adequate consultation and transparency. ESS2 also requires the preparation of the labor management procedures (LMP) and an establishment and operation of a GRM for project workers. If ethnic minorities are present and adversely impacted, then free, prior, and meaningful consultation is required; if indigenous peoples are present, then free prior informed consent (FPIC) is required. For meaningful consultations, the Borrower provides relevant project documents in a timely manner prior to consultation in a form and language that are understandable and accessible to the group being consulted. 	<ul style="list-style-type: none"> The project owner shall consult with the People's Committee of communes, wards and towns (hereinafter referred to as communes) where the project is carried out, with organizations or community under the direct impact of the project; research and receive objective opinions and reasonable requests of relevant entities in order to minimize the negative effects of the project on the natural environment, biodiversity and community health. The People's Committee of the commune where the project is carried out and the organizations under direct impact of the project shall be consulted. The project owner shall send EIA reports to the People's Committee of the commune where the project is carried out and organizations under the direct impact of the project together with the written requests for opinions. 	<ul style="list-style-type: none"> Conduct EIA consultations as per GOV regulations, taking into account the IFAD requirements regarding the ESCMF, SEP, EM Plan, and Gender Action Plan during consultation. Results from the consultation will be incorporated into the site-specific ESCMPs or can be submitted as a standalone report as an annex to the SEP. If consultation with ethnic minorities is required, consultation should follow the guidance

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
	<ul style="list-style-type: none"> Minutes of the public meetings are included in the reports. 	<p>Within 15 working days, from the date on which the EIA reports are received, the People's Committee of the commune and organizations under the direct impact of the project shall send their responses if they do not approve the project.</p> <ul style="list-style-type: none"> The consultation with the community under the direct impact of the project shall be carried out in the form of community meeting co-chaired by project owner and the People's Committee of the commune where the project is carried out together with the participation of representatives of Vietnamese Fatherland Front of communes, socio-political organizations, socio-professional organizations, neighbourhoods, villages convened by the People's Committee of the commune. All opinions of delegates attending the meeting must be sufficiently and honestly stated in the meeting minutes. 	<p>in the SEP and EM Plan, with the project's safeguard specialist to first approve adequacy/sensitivity/ inclusivity of the approach.</p>
Disclosure	<ul style="list-style-type: none"> The WB will disclose documentation relating to the E&S risks and impacts of high risks and substantial risks projects prior to project appraisal. Once the WB officially receives the 	<ul style="list-style-type: none"> After an EIA report is approved, the project owner shall formulate, approve and publicly display its EMP at the office of the commune-level 	<ul style="list-style-type: none"> Follow GoV requirements and IFAD requirements.

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
	<p>report, it will make the EA report in English available to the public through the Infoshop.</p>	<p>People's Committee of the locality in which consultation of the community is made for people's information, examination and oversight. (Article 16, Decree 18/2015).</p>	<ul style="list-style-type: none"> All safeguards' documents must be publicly disclosed
<p>Independent Expert</p>	<ul style="list-style-type: none"> For high risk and complex projects, the Borrower may be required to retain independent ESA experts not affiliated with the project to carry out ESA. For high-risk projects, especially those related to dam safety, the Borrower should also engage an advisory panel of independent, internationally recognized environmental specialists to advise on aspects of the project relevant to ESA. Experts/consulting firm will be selected through bid process under strict observation of the WB. 	<ul style="list-style-type: none"> Not regulated in Vietnam policies. Project owner shall make or hire an institution meeting the conditions provided in Clause 1, Article 13 (Decree 18/2015) to prepare an EIA report. Project owner or consulting service provider must fully meet the following conditions: <ul style="list-style-type: none"> i) Staff members in charge of EIA must obtain at least Bachelor's degrees and Certificate in EIA consultancy; ii) Specialist staff members related to the project obtaining at least Bachelor's degrees; iii) Physical-technical foundations and special-use devices for measuring, taking, processing, and analyzing environmental samples, which meet technical requirements. In case of unavailability of qualified special-use devices, having a 	<ul style="list-style-type: none"> Risk of the proposed Project is substantial risk, not high risk, thus the Project will not require any independent experts.

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
		contract to hire a capable institution.	
Clearance procedure	<ul style="list-style-type: none"> Review responsibility is internal to the WB. If the ESA report is satisfactory, the WB will issue its clearance memo. If the ESA report needs to be improved the WB will issue a conditional clearance with the understanding that the Borrower will revise the EA to satisfy the WB for the final clearance. 	<ul style="list-style-type: none"> The Ministry of Natural Resources and Environment shall assess and approve the EIA reports on projects prescribed in Appendix III of this Decree, except for projects subject to national defense and security secrets. Ministries, ministerial agencies shall assess and approve the EIA reports on projects under their competence in approval for investment, except for projects in Appendix III of this Decree; The People's Committee of the province shall assess and approve EIA reports on projects in the province, except for projects prescribed above. The appraisal will take place no later than working 45 days at MONRE level and 30 working days at DONRE level and 5 working days at district level for after receipt of a full eligible EIA or EPP. 	<ul style="list-style-type: none"> GoV's approval of the EIA, IEE, or EP will be required. IFAD's review and clearance of the ESCMF, ESCMP, EM Plan, SEP, and Gender Action Plan is required before project and subproject implementation.

EA Process Stage	Requirements of International ES Standards (taken from the World Bank Country System Framework Assessment)	Viet Nam (stipulations in Decree 40/2019/ND-CP, 18/2015/ND-CP and Circular 25/2019/TT-BTNMT)	Gap Filling Measures
Number and language of ESIA required for appraisal	<ul style="list-style-type: none"> Number of copies not specified. Language requirement: English for Vietnam No requirement for feasibility survey: the WB does not advance discussions on any investments without the preparation by the Borrower of the minimum required technical studies that prove the investments are feasible from socio-economical and technical point of view. 	<ul style="list-style-type: none"> The project owner has to submit at least seven copies of EIA report (depend on the number of appraisal council members) and one copy of the Feasibility Study or the Economic-Technical argument for the proposed project. 	<ul style="list-style-type: none"> Follow the GoV requirements but include the documents in both English and Vietnamese
Content of ESIA report	<ul style="list-style-type: none"> According to the ESS1 Due attention will be given address labor and working conditions as well as community health and safety 	<ul style="list-style-type: none"> The outline of the EA report should be in line with Circular 25/2019/TT-BTNMT 	<ul style="list-style-type: none"> Prepare the documents based on the most stringent of the two requirements (between GOV and IFAD requirements)
ESA supervision	<ul style="list-style-type: none"> During project implementation, the WB supervises the project's environmental and social aspects on the basis of the environmental provisions and the Borrower's reporting arrangement agreed in the loan agreement and described in the other project documentation, to determine whether the Borrower's compliance with environmental covenant (primarily with EMP) is satisfactory. If compliance is not satisfactory, the WB will discuss with the Borrower action necessary to comply. 	<ul style="list-style-type: none"> The local DONRE is entrusted to supervise the environmental and social compliance of the project. By the end of project construction stage, the Environmental Management Agencies will coordinate with Construction Management Agencies to supervise the compliance of environmental management activities stated in EIA study. 	<ul style="list-style-type: none"> Follow the approved ESCMF, ESCMPs, EM Plan, SEP, and Gender Action Plan for the project and subproject areas.

IV. PROJECT ENVIRONMENT AND SOCIAL ASSESSMENT AND PROPOSED MITIGATION MEASURES

4.1 Assessment of Potential Risks and Impacts of the Project

45. Positive Social and Environmental Impacts: Impacts will, overall, be positive, including (but not limited to) the following key benefits:

- *At the community level:*
 - Access to improved sustainable farming knowledge (climate smart agricultural practices, good agricultural practices (GAP) standards) that are also gender sensitive and lead to women's empowerment; bio-inoculant and LEISA based practices introduced for improvement of soil health and productivity.
 - Enhanced knowledge and capacities (knowledge, management, leadership, and enhance confidence – particularly of women – for embarking on business enterprises)
 - Improved soil health, diversified farming and landscapes, thereby increasing productivity of crops and livestock and promoting integration of environmental management. Local communities will have deeper knowledge and understanding of local soil types/micro-habitats and hence, can contribute to effective interventions.
 - Access to infrastructure and facilities to improve agricultural production efficiency and help in reducing drudgery.
 - Income generation and business development opportunities due to job opportunities (on-farm and off-farm) for both men and women.
 - Job and skills development opportunities for youth (particularly for those who are disadvantaged), including promotion of agricultural SMEs, on-the-job-training and apprenticeship programmes.
 - Networking and advancement opportunities via participation in 4P platforms (offering mutual support and learning), becoming a business partner with the private sector, and/or participating in group/cooperative for mutual support/business partnership.
 - Support to gender equality in terms of improved participation of men and women in project planning, implementation, and monitoring and evaluation (M&E).
 - Improved recognition of traditional practices used by EM communities and incorporation into community forest management plans
- *At the district and provincial level:*
 - Improved capacity in landscape level, inter sectoral, inter-district planning through the planning process introduced by the project.
 - Improved management and tracking of climate adaptation and resilient efforts through development and implementation of the climate information system (CIS).

46. Potential Adverse Project Impacts & Inherent Risks: The safeguards categorization for CRWIS is substantial for both social and environmental impacts and risks. Mitigation for climate risks have been built into the design of the project via the project activities and specifications for infrastructure to be financed under the project, as the project explicitly targets climate resilience and adaptation by design.

47. Key social impacts anticipated as a result of project activities include: (i) potential contraction of diseases (e.g. sexually transmitted diseases such as HIV/AIDS, COVID-19, and/or other communicable diseases) due to labour influx; (ii) potential conflict with local ethnic minority (EM) peoples due to construction workers who work and stay near EM communities; (iii) potential labour-related accidents for persons hired by the project construction companies to support seasonal construction

work; (iv) gender based violence and/or sexual harassment and abuse (e.g. verbal and physical abuse, sexual harassment, violence against children) due to the influx of labour; (v) child labour, e.g. if construction contractor hires local persons for heavy construction works prohibited under the current Code of Labour (2019); (vi) forced labour (e.g. coerced to work through the use of violence/intimidation, or by more subtle means such as debt manipulation, retention of identity papers, or similar threats); (vii) possible social exclusion (due to vulnerability, land tenure issues, disability, etc.); (viii) lack of contract for EM workers, particularly for seasonal works less than one month's duration.

48. The above social risks are assessed to vary from low to substantial because there are no practical measures that ensure complete avoidance. However, measures are in place to facilitate effective implementation (See Mitigation measures that are detailed in Section 4.2, Table 4 of this Environmental, Social, Climate Management Framework). Given the measures, likelihood of these consequences happening is reduced.
49. Key environmental impacts anticipated as a result of project activities: The project is expected to have various positive environmental impacts, including improved ecosystem services, soil fertility/soil health, and natural resources management. Potential negative environmental impacts are related to infrastructure (e.g. construction/rehabilitate of rural roads, irrigation channels, small-scale reservoirs, etc.). These impacts may include: (i) erosion and run-off to water bodies during earthworks/construction; (ii) temporary traffic blocks and related safety issues during construction and operation; (iii) temporary pollution from construction (e.g. dust, noise, vibration, waste & wastewater generation from workers' campsites); (iv) potential water pollution from sourcing aggregates/construction materials (soil, gravels); and (v) increased water consumption. Additional environmental risks (not explicitly linked to construction activities) include: (i) presence of unexploded ordnances (UXOs) at project sites (an inherent risk listed below); and (ii) increased use of pesticides due to crop intensification/improved crop yields. Similarly to the social risks and impacts, mitigation measures for the environmental risks and impacts are detailed within Section 4.2, Table 5 of this ESCMF.
50. Inherent Risks: There are inherent risks pertaining to presence of landmines and unexploded ordnances (UXOs) if construction occurs in new areas (i.e. areas without existing construction/infrastructure/activities). Inherent risks are addressed with project-related impacts under Section 4.2.

4.2 Proposed Mitigation Measures

51. Social Mitigation Measures: To mitigate issues pertaining to social exclusion and conflict over land use/ land management, water use/water management related safeguards documents like the Stakeholder Engagement Plan (SEP), Ethnic Minority Plan (EMP), PFIC Implementation Plan, and Gender Assessment and Action Plan (GAP) have been developed to supplement this ESCMF and improve overall project design. The Grievance Redress Mechanism (GRM) is also available for any project affected persons who think they have been negatively impacted or excluded. GRM for different type of potential impacts is presented in Stakeholder Engagement Plan.
52. Table 4 below provides an overview of the expected social risks and impacts and related mitigation measures.

Table 4. Mitigation Measures for Social Risks & Impacts (Inherent and Project-Induced)

Potential risks	Measures to be taken to avoid/ minimize such risks
HEALTH AND SAFETY	
<ul style="list-style-type: none"> • Contraction of diseases due to labour influx 	<ul style="list-style-type: none"> • The requirements for contractors to identify Occupational Health and Safety (OHS) risks and provide remedies for non-compliance will be included in all procurement documents of PMU • Awareness raising activities will be conducted regularly – as part of the project’s annual Information, Education and Communication program (IEC).
<ul style="list-style-type: none"> • Potential conflicts between EM peoples and immigrant workers 	<ul style="list-style-type: none"> • The requirements for contractors to develop a Code of Conduct when working in EM area, including hiring of local EM peoples will be required in bidding documents. • All workers of project contractors will be trained on this Code of Conduct and will be required to sign in the CoC before starting the work under the project’ activities
<ul style="list-style-type: none"> • Labor related accidents on the part of persons, especially vulnerable persons, who worked for project contracted construction companies 	<ul style="list-style-type: none"> • A Labour Management Plan will be prepared during the first year of the project and prior to implementation of construction-related/labour-intensive activities. • The requirements for contractors to identify Occupational Health and Safety (OHS) risks and provide remedies for non-compliance will be included in all procurement documents of PMU. • All contractors are required to conduct OHS training to raise awareness of OHS and promote application of good OHS practices prior to mobilizing all workers to construction sites. • Where required, based on risk assessment at activity level, contractors will be required to engage qualified OHS staff to be in charge of OHS issues, including provision of training of workers, monitoring of OHS risks and proposed updated preventative measures
GENDER & EXCLUSION	
<ul style="list-style-type: none"> • Gender based violence (e.g. verbal and physical abuse, sexual harassment, violence against children...) due to influx of labour. 	<ul style="list-style-type: none"> • The requirement to prevent Gender Based Violence, Sexual Abuse, and Sexual Harassment will be mainstreamed into the bidding documents and all contracts to be awarded by PMU to all project contractors. • All contractors will be required to prepare a Code of Conduct to prevent GBV using the national guideline for GBV prevention. • All workers of project contractors are required to sign code of conduct, including provisions to prevent Gender Based Violence, Sexual Abuse, and Sexual Harassment.

Potential risks	Measures to be taken to avoid/ minimize such risks
	<ul style="list-style-type: none"> At home, women are encouraged to take part in project activities that are designed to empower them in income generation activities and decision making – both at home and community levels.
<ul style="list-style-type: none"> Social exclusion (because of vulnerability, land tenure issues, disability, etc.) 	<ul style="list-style-type: none"> During project preparation and project implementation, representatives of households classified as those traditionally excluded (e.g. due to vulnerability, land tenure issues, gender/disability/age) will be consulted to ensure that: (i) they receive socioeconomic benefits from project investment that are culturally appropriate to them; and (ii) are not adversely affected disproportionately if they are potentially affected as a result of any project activities. To promote the full participation of vulnerable and socially excluded groups, every effort will be made to consult those groups (including ethnic minority groups) in their local language(s), following the principles of Free, Prior, and Informed Consent (FPIC).
<i>LAND USE PLANNING AND MANAGEMENT</i>	
<ul style="list-style-type: none"> Exclusion of persons without formal land titles in the land use management and planning process 	<ul style="list-style-type: none"> The project will utilize participatory land use mapping, planning, and management to avoid risks related to social exclusion and to work towards recognition of land rights for persons typically excluded from the process. This will be particularly relevant for EM communities, whereby the planning serves as an opportunity to incorporate traditional ecological knowledge and EM practices into the community management of the associated land.
<ul style="list-style-type: none"> Temporary disruption to land use based on construction activities 	<ul style="list-style-type: none"> The project will exclude any activities that involve forced eviction. A Resettlement Policy Framework has been prepared to address both permanent and temporary land impact during project implementation (See RPF for details).
<i>LABOUR</i>	
<ul style="list-style-type: none"> Child labour (people under 18 years of age hired by the project's construction contractor for heavy works prohibited under Code of Labor) 	<ul style="list-style-type: none"> As part of the exclusion list, peoples under 18 years of age will not be hired by all project's contractors for construction works. In all contracts between PMU and contractors, there shall be provisions that require compliance with the minimum age requirements, including penalties for non-compliance.

Potential risks	Measures to be taken to avoid/ minimize such risks
	<ul style="list-style-type: none"> The contractor will be required to maintain a labour registry for all contracted workers with supporting documents confirming the age of workers
<ul style="list-style-type: none"> Forced labour 	<ul style="list-style-type: none"> Awareness raising activities will be conducted regularly – as part of the project’s annual Information, Education and Communication program (IEC).
<ul style="list-style-type: none"> Lack of contracts for vulnerable workers, particularly ethnic minority persons hired for seasonal works that last less than one month’s duration. 	<ul style="list-style-type: none"> To ensure seasonal workers (especially EM workers) who work less than one month do not take any risks, particularly risks related to OHS, working condition, and payment, all contractors will be required to sign contracts with all seasonal workers that respect seasonal workers in the same way that workers with contracts of more than one month’s duration are respected. This aims to protect the seasonal workers (particularly EM workers) from taking the above-mentioned risks to avoid absence of a working contract.

53. Environmental & Climate Mitigation Measures: Environmental risks and impacts will be managed through the application of a site-specific Environmental, Social, and Climate Management Plan (ESCMP), and construction-related risks will also incorporate (in addition to the site-specific ESCMP), good construction practices with ESCMP compliance written into the contract agreements/ procurement of the given construction company/provider. All site-specific ESCMPs must account for the territorial and environmental knowledge of the affected ethnic minorities in that area. To strengthen the project’s climate resilience approach, the ESCMF recommends undertaking a Targeted Adaptation Assessment during the design stage. The mitigation measures suggested for the environmental risks and impacts, both inherent to the project area and specific to the project activities, are detailed in below.

Table 5. Mitigation Measures for Environment/Climate Risks & Impacts (Inherent & Project-Induced)

Potential risks	Measures to be taken to avoid/ minimize such risks
<i>BIODIVERSITY CONSERVATION</i>	
<ul style="list-style-type: none"> Disruption to ecological flows (migratory fish, water) with the development of small reservoirs 	<ul style="list-style-type: none"> Prior to construction and/or implementation, an assessment of biodiversity in the area and reliance of upstream/downstream water users must be conducted to identify instances when/where fish ladders need to be included and/or communities need to be consulted on changes in timing and flow of the water.
<ul style="list-style-type: none"> Encroachment on protected forest areas (in buffer zone 	<ul style="list-style-type: none"> This risk is minor and mitigated directly through the planning process, the climate information

Potential risks	Measures to be taken to avoid/ minimize such risks
commune in Con Cuong district – Nghe An province)	system, and the climate smart agricultural practice (under component 2).
<i>RESOURCE EFFICIENCY & POLLUTION PREVENTION</i>	
<ul style="list-style-type: none"> • Erosion and run-off to water bodies during earthworks & construction 	<ul style="list-style-type: none"> • Site specific ESCMPs – or an Environmental Code of Practice (ECOP) – will include water & wastewater management protocols, including interventions to divert or slow the movement of water (reducing erosion), and construction contracts will include clauses on safeguards compliance (particularly the development and implementation of related ESCMPs)
<ul style="list-style-type: none"> • Temporary pollution from construction; specifically: dust, noise, vibrations, waste & wastewater generation from workers' campsites, etc. 	<ul style="list-style-type: none"> • ESCMPs (or ECOPs) must include a section on waste management (as well as water & wastewater management protocols) to minimize waste production & ensure efficient and safe handling for proper transfer and eventual disposal. The ESCMP (or ECOP) will also include mitigation measures for site-specific concerns, for example: <ul style="list-style-type: none"> ➤ occasional spraying of the area to reduce dust; ➤ limiting hours of construction to reduce unfavourable noise and/or vibration(s) experienced by neighbouring communities ➤ waste management & water/wastewater management protocols
<ul style="list-style-type: none"> • Potential water pollution from sourcing aggregates and construction materials like soil and gravels 	<ul style="list-style-type: none"> • Where possible, utilize silt fencing or filter socks to control sediment and reduce water pollution • Define, within the ESCMP (or ECOP) and construction proposal measures to separate and either (i) treat; or (ii) safely dispose of polluted water (e.g. transfer to a treatment facility)
<ul style="list-style-type: none"> • Increased water consumption during construction activities 	<ul style="list-style-type: none"> • Within the water/wastewater section of the ESCMP (or ECOP) and related construction proposal, specify the expected water requirements and water sourcing plans, with an effort to keep consumption at a minimum; • Sensitize workers on the need to conserve water where possible and on frugal management of water during the construction activities
<ul style="list-style-type: none"> • Potential increase in pesticide use 	<ul style="list-style-type: none"> • The risk of increased pesticide use will be minimized through the project's training for farmers on good production/good agricultural practices and utilizing integrated pest management

Potential risks	Measures to be taken to avoid/ minimize such risks
	(which improve the market price of produce at market)
<i>COMMUNITY HEALTH & SAFETY</i>	
<ul style="list-style-type: none"> • Presence of unexploded ordinances (UXOs) at project sites (mostly construction sites, but could include any areas not regularly traversed) 	<ul style="list-style-type: none"> • For UXOs, in particular, identification and removal (if any) would be done by experts as part of site clearance prior to commencing any activities on the project sites. Safety risks related to UXOs are considered low to moderate, since most of the irrigation rehabilitation subprojects will take place within existing alignment of canal. This risk is more likely associated with some subprojects where new section of canals are to be built to extend irrigation coverage. An UXO risk assessment will be conducted for all the subproject sites where UXOs are considered a potential hazard, and UXO clearance (if needed) will be carried out by qualified agencies. Construction activities will not be allowed prior to UXO clearance.
<ul style="list-style-type: none"> • Temporary traffic blocks and related safety issues during construction and operation 	<ul style="list-style-type: none"> • Clear signage will be installed around the project site for safety, with a reasonable notice period (e.g. 24h or more) based on the local regulations/requirements. A detour will be made available for local traffic.
<ul style="list-style-type: none"> • Increased exposure to pesticides if the use of pesticides increases with increased production 	<ul style="list-style-type: none"> • This risk will be mitigated directly through the project activities under Component 2, which will include training on good agricultural practices like integrated pest management, as well as (in instances where pesticide use cannot be avoided) appropriate handling, storage, application, and disposal of pesticides.
<i>CLIMATE CHANGE</i>	
<ul style="list-style-type: none"> • Inherent risk associated with changing climate in the project area, introducing more extreme events, floods, droughts, and saline intrusion (Hoang Hoa district – Thanh Hoa), specifically the sustainability and resiliency of project activities/interventions (e.g. infrastructure) 	<ul style="list-style-type: none"> • To address issues of climate-induced risks and impacts, the CRWIS project has been designed to adapt and/or resilient to climate change through climate-resilient infrastructure and CSA practices. To accomplish this, infrastructure design and CSA practices must be informed by climate projection and not only immediate needs. • To strengthen the project's climate resilience approach, the ESCMF recommends to undertake a Targeted Adaptation Assessment during the design stage.

V. PROCEDURES FOR REVIEW, CLEARANCE, AND IMPLEMENTATION OF SUBPROJECT E&S INSTRUMENTS

5.1 Objective and Approach

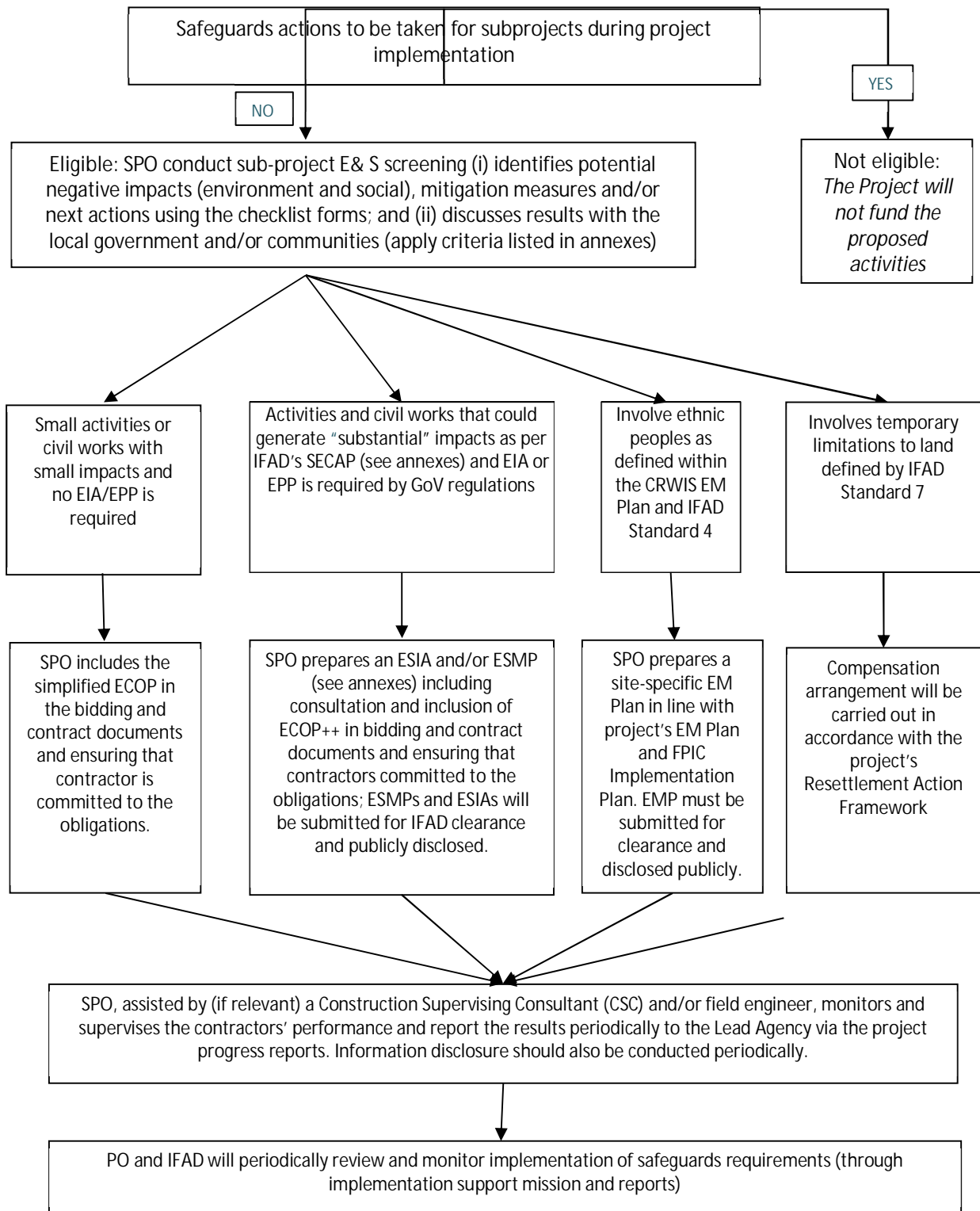
54. Since some of the activities and subprojects will be identified during implementation, this ESCMF was prepared to apply to all subprojects and investment activities. The main objective of the ESCMF process is to ensure that the subprojects and activities financed by the project will not create adverse impacts on the local environment and communities, and the residual and/or unavoidable impacts are mitigated in line with the IFAD safeguards standards.
55. During implementation, identified activities/subprojects will be screened for and given a risk classification based on their E&S issues and applicable safeguards standards (ESSs), after which any necessary environmental and social assessment (ESA) and other E&S instruments will be prepared based on the requirements laid out in this ESCMF. The assessments, instruments, and mitigation measures will be proportionate to the nature and scale and the potential risks and impacts of the project and consistent with the requirements of IFAD, the , and national laws/regulations. The safeguards plans prepared for subprojects may include, but are not limited to: Environmental, Social, and Climate Management Plans (ESCMPs); ECOPs (See also Appendix 5), including health and workers issues related to sexual exploitation and abuse (SEA); Stakeholder Engagement Plan, and EM Plans. Terms of reference, work plans, and documents defining the scope and outputs of any site-specific safeguards capacity building activities will be drafted so that the advice and support provided is also consistent with the IFAD safeguards standards. Based on the initial sub-project safeguards screening, any subsequent ESA would: (i) cover the requirements established under the relevant safeguard standard for that subproject; and (ii) identify the environmental and social risks and impacts including direct, indirect, cumulative, and residual impacts.

5.2 Key Steps

56. The ESCMF process is comprised of four steps, as depicted in Figure 7 and summarized below:
- Step 1: Screening for eligibility and E&S issues including risks and impacts using screening criteria, application of ESSs, and identification of and needs for preparation and implementation of E&S documents/instruments.
 - Step 2: Preparation of E&S documents, as required, including the development of mitigation measures in the ESCMP, Stakeholder Engagement, EM Plan, and Environmental Codes of Practice (ECOP) to be incorporated into bidding and contractual documents and subjected to close monitoring of the contractor performance. ESCMPs and ECOPs clearly identify mitigation measures for potential negative impacts during site clearance and construction, including the management of contractors, chance finds, EHS application, and Codes of Conduct relating to Sexual Exploitation and Abuse.
 - Step 3: Clearance and disclosure of E&S documents; and
 - Step 4: Implementation, monitoring, and reporting.
57. The risk analysis, impact assessment, and preparation of E&S documents for all subprojects will be carried out during implementation. Preparation of a subproject ESCMP occurs when the subproject activities have been clearly identified and locations are known. During the preparation of the ESCMP, due attention will be given to address the issues of biodiversity conservation and sustainable management of living natural resources, resource efficiency and pollution prevention, labour and working

conditions, community health and safety, indigenous persons/ethnic minorities, women, cultural heritage, and stakeholder engagement and information disclosure.

Figure 7. Flowchart for Safeguard Actions for Subprojects



Note: PO is project owner; SPO is subproject owner

58. Key safeguards actions can be highlighted as follows:

- Construction works to be carried out under Component 1 will incorporate a site-specific ESCMP requirements and an ECOP into the bidding documents and consultant contracts, with contractor performance closely monitored by the responsible persons of the implementing agencies.
- If screening finds the need for temporary disruption to land use, compensation payment will be arranged in line with project's Resettlement Action Framework (in line with IFAD Standard 7), as well as approved and disclosed prior to sub-project implementation.
- If the ethnic minorities are present in the subproject, a site-specific EM Plan will be prepared and implemented according to IFAD Standard 4 and the guidelines can found in the project's overarching EM Plan.
- All the major E&S documents of a given subproject will be submitted for IFAD clearance before their respective approval and implementation.

5.3 E&S Risk and Impact Assessment

59. This step (Step 1) aims to confirm the eligibility of subproject and/or activities to be financed by the Project as well as identify the potential E&S issues and assess potential impacts of the subprojects/activities including needs for preparation of E&S documents as required by IFAD standards using an E & S screening checklist. The agencies responsible for implementing the subproject/activity will be responsible for undertaking and signing the screening forms. PPMUs will each be responsible for screening their own activities. Consultation with IFAD safeguards specialists can be made as needed, depending on subproject complexity.

5.4 Development of E&S Documents

60. This step (Step 2) focuses on preparing safeguards documents in relation to the issues identified in Step 1. Guidelines for the preparation of an ESCMP are provided in the annexes, whereas a project-level SEP and EM Plan have been developed separately. Again, PPMUs will be responsible for their own activities and subprojects, and their corresponding safeguards specialists will be responsible for the preparation of E&S documents. Consultation with IFAD safeguards specialists for complex subprojects will be made as needed.

61. It is also crucial that the implementing agencies of the subprojects and activities are responsible for preparation of E&S documents (e.g. EPP, EIA, etc.) required by the Government of Vietnam's EIA regulation² and secure approval of responsible agencies.

5.5 Review, Approval, and Disclosure of E&S Documents

62. IFAD review and clearance: Before approval and commencement of subproject works, the Subproject Owner (SPO) will submit all key E&S documents to IFAD for review, clearance, and public disclosure. The approval process described herein may also be reviewed occasionally, particularly once the E&S capacity of the implementation partners has been built with the support of the E&S capacity-building consultants/project safeguards specialists. At that point, IFAD may choose to review ESCMPs selected at random.

² GoV procedures (namely, Decree No. 18/2015/ND-CP dated February 14, 2015 of the Government on environmental protection planning, strategic environmental assessment, environmental impact assessment, and environmental protection commitment, and Circular No. 27/2015/TT-BTNMT dated 19 May 2015 of the Ministry of Natural Resources and Environment on strategic environmental assessment, environmental impact assessment, and environmental protection plan).

63. All E&S documents will be posted on the official websites the project provinces, and hardcopies in the Vietnamese language will be available at the DPMU, PPMU, and subproject sites. The DPMU and PPMU must publish a notification of disclosure of information and solicit comments within the month following that disclosure date. The English version of the ESCMPs will be disclosed on the IFAD website.
64. Government approval: Responsible agencies are also required to approve the ESIA or EPP documents as required by GoV regulation. Any prepared EIA (in Vietnamese) as well as the approval conditions will be provided to IFAD for information and will be disclosed to the public.

5.6 Implementation, Supervision, Monitoring, and Reporting

65. ESCMF implementation, supervision, monitoring, and reporting is an integral part of project and subproject implementation. Each E&S staff is responsible for specific activities. IFAD SECAP specialists also supervise and monitor the implementation of safeguards activities during IFAD project supervision missions. Delegation of responsibilities is as follows:

- *Gender Action Plan, Stakeholder Engagement Plan, Ethnic Minority Plan monitoring:* The PPMU will hire a social inclusion/gender specialist to monitor the implementation of the EM Plan, Stakeholder Engagement Plan, and GAP and report results to IFAD.
- *E&S monitoring of contractor performance during construction:* To ensure compliance with the national laws and regulations as well as some specific requirements of the IFAD SECAP standards at subproject level, PPMUs will hire a qualified national staff/consultant to conduct monthly monitoring and reporting while assigning the Construction Supervision Consultant (CSC) or field engineers to be responsible for monitoring and reporting of contractor's compliance to the construction-focused ESCMPs on a day-to-day basis. At the project level, the PPMU Environmental Safeguards Specialist will ensure monitoring of environmental and social performance at sub-project sites and of the construction contractor throughout construction. The Environmental Safeguards Specialist will report their findings in the Project E&S monitoring reports for IFAD on a six-month basis, or as agreed with IFAD in accordance with the legal agreement. The PPMU will also be responsible for monitoring and evaluating implementation of the Stakeholder Engagement Plan, including responses to grievances and/or complaints of the project/subproject affected peoples as well as the project workers (see Section IX).
- *E&S monitoring during implementation of activities/operation of infrastructure:* Specialized training will be provided on risks inherently associated with project activities that involve waste management, occupational health and safety, and community health and safety. E&S staff must pay extra attention – proportional to the more substantial risks – to those activities during implementation. To ensure sustainability after project closure, the awareness and capacity of related implementing agencies must be increased through trainings and during implementation supervision. This will require E&S capacity building consultants (including extension staff). PPMUs will detail safeguards progress in the subprojects' E&S monitoring reports for submission to IFAD.

VI. IMPLEMENTATION ARRANGEMENTS

6.1 Responsibility for ESCMF Implementation

66. In line with the project's implementation arrangement specified in the project design, the project/subproject owners are implementing agencies and therefore responsible

for ESCMF implementation. The PPMU will be responsible for ensuring effective application of the ESCMF for all activities. Predominant responsibility of implementation will belong to the PPMU safeguards specialists (two per province, one focused on environment/climate, and the other focused on social inclusion/gender). Sample Terms of Reference (TORs) for the safeguards specialists can be found in Appendix 10 of this ESCMF. The PPMU-level responsibility includes overall planning and supervision of E&S activities, including the hiring of qualified national E&S capacity building consultants – individual or firm – to provide E&S training and TA including supervision, monitoring, and reporting of E&S implementation to IFAD every six months. When necessary, the PPMU will also ensure training and coordination with the Department of Health (DOH) in instances where activities involve occupational health and safety or similar subjects of overlap.

67. The PPMU subproject owners are responsible for: (i) hiring a qualified specialists (two per province) to prepare and finalize E&S documents (ESCMPs, ECOPs, updated SEP, annual EM Plans, etc.); (ii) securing IFAD clearance of E&S documents and approval of the government; and (iii) implementing the ESCMPs, SEPs, EM Plans, and Gender Action Plan. A qualified national consulting firm may be hired to assist during the implementation of the ESCMP, SEP, and EM Plan, and Gender Action Plan, if needed. This may include support to monitoring of environmental quality and preparation of E&S monitoring reports for submission to the CPMU. The subproject owner will also ensure that the (i) final subproject design has incorporated measures to mitigate potential negative impacts during construction and operations; (ii) final ESCMP, ECOP and COC on Workers’ behavior and SEA are incorporated into bidding and contract documents; and (iii) contractors are aware and committed to complying with these obligations, with E&S actions built into the contract cost. After approval, the subproject owner is responsible for ensuring that the ESCMP, SEP, EM Plan, ECOP, and COC on SEA (if applicable) are effectively implemented and monitored. Before construction, the subproject owner will assign a Construction Supervision Consultant (CSC) and/or field engineer to be responsible for day-to-day supervision of contractor performance on E&S and report the results in the subproject progress report.

6.2 Monitoring and Reporting Arrangements

68. The E&S performance will be included in the subproject and overall project progress reports. The two safeguards specialists in each of the PPMUs, with assistance from the CSC/field engineers (where relevant), will monitor and report on the E&S performance of the project. The PPMU will prepare E&S monitoring report twice per year for submission to IFAD, describing the project’s progress and compliance with the SECAP safeguards standards and other requirements.

69. The overall progress report from PPMU to be submitted to IFAD must include adequate information regarding: (i) preparation and disclosure of the E&S instruments for subprojects; (ii) implementation progress of the ESCMP, including incorporation of the ECOP/COC on SEA/other ESCMP requirements pertaining to the contractor in the bidding and contractual documents; (iii) monitoring and supervision on implementation performance of contractors, CSCs, and PPMUs according to the ESCMP, ECOP, and COC on SEA; and (iv) any challenges, solutions, and lessons learned during E&S/ESCMF implementation. Table 6 provides a summary of reporting procedures.

Table 6. Reporting Procedures

	Report Prepared by	Submitted to	Frequency of Reporting
1	Contractor to the Employer	PPMUs	Once before construction commences and monthly thereafter

2	Construction Supervision Consultant (CSC)	PPMUs	Weekly and monthly
3	Community Monitoring	PPMUs	When the community has any complaint about the subproject E&S/ESCMF implementation
4	PPMU	IFAD	Once every six-months, in accordance with any signed legal agreements.

6.3 Incorporation of ESCMF into Project Implementation Manual

70. The ESCMF process and requirements will be incorporated into the Project Implementation Manual (PIM) and the PPMU will provide training to ensure that the subproject owners understand them and will supervise and monitor the ESCMF implementation periodically. The E&S section in the PIM will also refer to the ESCMF and related safeguards documents, as needed.

VII. CAPACITY BUILDING, TRAINING, AND TECHNICAL ASSISTANCE

7.1 Institutional Capacity Assessment

71. To ensure effective and consistent training on E&S, particularly under the new IFAD SECAP (2021), the training should be provided by qualified national consultants. In addition to refresher trainings on safeguards pertaining to waste management, use and disposal of pesticides/fertilizers, etc., there must be additional training focused on ensuring the effective performance of contractors – including provision of adequate services related to health, safety of workers and local communities.

72. At provincial level, Provincial People’s Committee is the project owner who implements the project through its lead agency which is the Agricultural and Rural Development Project Management Unit (Thanh Hoa province) and Department of Agriculture and Rural Development (DARD) (Nghe An). In each province, this unit will work closely with other relevant department such as Department of Planning and Investment (DPI), Department of Natural Resources and Environment (DONRE). All these provinces have experience in implementing IFI-funded projects. Many national consultants and local authorities also have some knowledge and experience of the former IFAD safeguard requirements, but are less familiar with the new IFAD SECAP, so sensitization to the new framework and changes in requirements is crucial. Training and capacity building on the application of the IFAD SECAP will be required. Training should include to adequately: (i) screen for and differentiate between small- and medium-scale infrastructure; and (ii) ensure follow-up assessments (if the screening deems this necessary) prior to sub-project implementation.

7.2 Training and Technical Assistance

73. Training and capacity building on the IFAD SECAP should focus on familiarity with and understanding the concepts of proportionality and adaptive management. It must also cover the implementation of the safeguards documents, particularly as they relate to (i) contractor management and monitoring of E&S issues concerning labour; (ii) community health and safety; (iii) environmental health and safety; and (iv) requirements for systematic stakeholder engagement. The targeted training programs focused on E&S risk management could also help strengthening inter-agency coordination and cooperation which is critical for ensuring effective management of all aspects of forest management and deforestation-free production.

Given the project structure and the plan to implement a number of subprojects in each province involved, significant inputs from qualified national consultants will be required, along with on-the-job training on assessing risks and impacts management during preparation and implementation.

74. During implementation of Project, E&S training and technical assistance will be provided to the implementing agencies both at the Project and subproject level. During the first three years, the PPMU will conduct at least two safeguard training workshops per year (one on environment and one on social) to the subproject owners regarding the ESCMF process and needs for preparation of safeguard documents (ESCMPs, SEP, EM Plans, and ECOP when needed, etc.). When possible, an IFAD SECAP Specialist will participate in these training workshops. Safeguards technical training for any other specific issues and related aspects should occur at least once per year for the following years. This could be combined with the annual IEC.
75. Priority for training should include, but is not limited to, the following:
- (i) The ESCMF process and guidelines for preparation, implementation, and supervision of E&S instruments designed for CRWIS and its subprojects;
 - (ii) Specific training on the EM Plans, SEP, and labour management with regard to planning and implementation, including the application of differentiated GRM pathways to more effectively respond to local complaints;
 - (iii) Specific training on supervision and monitoring of contractor performance, including forms and reporting processes; basic knowledge on health and safety; good construction practices for reducing potential impacts on local environment and local peoples; Codes of Conduct on SEA; and communication and GRM procedures and other social issues related to communicable diseases (including covid-19), etc.;
 - (iv) Specific training on IPM; safe use and disposal of pesticides/herbicides/chemical fertilizers being used in primary production;
 - (v) Specific training on waste management, including hazardous and bio-hazardous waste;
 - (vi) Specific training on the use of PPE and best practices (during construction, pesticide application, etc.).

7.3 Technical Assistance on E&S Capacity Building

76. Given the specific needs related to E&S training and limited capacity of some agencies with respect to the newest IFAD SECAP, a qualified national firm could be mobilized by the PPMU to provide E&S training, supervision, monitoring, and reporting of the ESCMF implementation and SECAP compliance to IFAD. If required by IFAD, the PPMU will also mobilize an independent monitoring agency (IMA) for monitoring of EM Plan implementation, and other E&S consultants to assist in the preparation and/or monitoring of various E&S activities during implementation. PPMUs may mobilize E&S consultants (either individual or hired through a firm) to assist in the implementation of ESCMF, preparation of E&S documents, and mitigation measures of the subprojects under their responsibility.

VIII. ESCMF IMPLEMENTATION BUDGET

77. The following ESCMF implementation costs are covered under the employment of the two safeguards specialists in each PPMU, as they are responsible for (a) preparation of E&S documents of subprojects, including consultation with local authorities and communities; (b) supervision, monitoring, and training workshops on E&S issues; (c) implementation and monitoring of the ESCMPs, SEP, EM Plan, and Gender Action Plan (with the support of the project's Monitoring & Evaluation Specialist); and (d)

ensuring contractors implement their respective ECOP and Codes of Conduct for GBV and VAC (if identified during screening), and any site-specific measures. When needed, qualified national (individual or firm) consultants for capacity building and training on ESCMF implementation and the concepts of the IFAD SECAP will be provided. Budget for trainings and capacity building are mainstreamed into the project budget across project outputs/components, so are not listed explicitly in Table 7.

78. Costs related to staffing, implementation, and monitoring of the ESCMF, as well as costs more broadly focused on safeguards and built into existing project activities/components, can be found in Table 7.

Table 7. Estimated ESCMF implementation cost

Description	Total Cost (US\$)
Staff cost	
Environment & Climate Safeguards Specialist in Thanh Hoa	125,000
Environment & Climate Safeguards Specialist in Nghe An	125,000
Gender & Social Safeguards Specialist in Thanh Hoa	125,000
Gender & Social Safeguards Specialist in Nghe An	125,000
Project Monitoring & Evaluation Expert in Thanh Hoa	125,000
Project Monitoring & Evaluation Expert in Nghe An	125,000
Environmental and social studies/assessments	
Environmental and social studies/assessments in Thanh Hoa	200,000
Environmental and social studies/ assessment in Nghe An	200,000
Capacity building & training	
Capacity building & training in Thanh Hoa	413,686
Capacity building & training in Nghe An	413,686
TOTAL COSTS	1,727,372

IX. ESCMF CONSULTATION AND DISCLOSURE

10.1 Consultation Requirements

79. IFAD requires that consultations be held with the project affected peoples, local communities, vulnerable persons/ethnic minorities, and other relevant stakeholders. The consultations should provide information on the following aspects: a) purpose of the project; b) results of the environmental and social assessment; and c) presentation of the complementary studies required, in any instances where they apply. This ESCMF has been prepared through a detailed consultative process at both the field and central level, and consultations findings may also be used for subsequent safeguards documents.

80. Consultation through community outreach during project implementation is good practice to ensure that the potential adverse impacts and concerns are properly addressed during project construction and operation. Consultation with affected populations and ethnic minorities is required when the activities involve physical relocation, land acquisition, and ethnic minorities.

10.2 Consultation Process Summary

81. Public consultation is a key component of CRWIS and it was pivotal in preparation of the following documents:

- Environmental, Social and Climate Management Framework (ESCMF)

- Ethnic Minority Plan (EMP)
- FPIC Implementation Plan
- Gender Assessment & Action Plan
- Resettlement Action Framework
- Stakeholder Engagement Plan (SEP) and Grievance Redress Mechanism

10.3 Information Disclosure

82. IFAD funded projects are required to disclose all safeguards related documents locally in an accessible place and in a form and language understandable to key stakeholders (in this instance, Vietnamese and English) and on the external website of provinces and of IFAD and the prior to appraisal.

APPENDIX 1. EXCLUSION LIST FOR CRWIS

Any sub-project that meets one or more of the following screening criteria will not be approved for financing under the project:

Scope of civil work

- Rural roads with total length of more than 10 kilometres per scheme;
- Irrigation canals with base width more than 10m; sluices with total drainage width more than 10m; irrigation embankments to protect cultivation areas of more than 500 hectares; large dams (higher than 15m) or any dams resulting in a high-risk rating (in terms of environment, social, and/or dam safety).

Scope of social impacts

- Infrastructure schemes that require permanent acquisition of more than 15 percent of total productive land of an individual household, or more than 10 percent for EM households and/or households classified as poor, or near-poor households by the time of preparation of Resettlement Action Plan.
- Any sub-project that physically displaces any households, or require permanent acquisition of the land under traditional or customary use by ethnic minority peoples.
- Use of the project as an incentive and/or a tool to support and/or implement involuntary resettlement of local people and village consolidation.
- New settlements or expansion of existing settlements.
- Activities that would likely create adverse impacts on ethnic minorities within the village and/or in neighboring villages, or activities that are unacceptable to the affected ethnic minorities living in an ethnic homogenous village or a village of mixed ethnic composition.
- Cause damage or loss to cultural property, including sites having archeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
- Resources access restriction (e.g. restricted access to farming land) that could not be mitigated and will result in adverse impacts on the livelihoods of ethnic groups and disadvantage peoples.

Scope of environmental impacts

- Sub-activities that require full EIA will not be financed.

Purchase of agricultural inputs

- Purchase of banned pesticides, insecticides, herbicides and other unbanned pesticides, unbanned insecticides and unbanned herbicides and dangerous chemicals exceeding the amount required to treat efficiently the infected area. However, if pest invasion occurs, the use of small amounts of eligible and registered pesticides in Vietnam will be allowed if supplemented by additional training of farmers to ensure pesticide safe uses in line with IFAD policies and procedures. Highly Hazardous Pesticides (HHP) will not be used by the project.
- Purchase of destructive farming gear and other investments detrimental to the environment.

Use of chemicals

- Any projects that will use or induce the use of hazardous materials (including asbestos) or any banned chemicals.

Introduction of farming technologies

- Introduction of non-native species, unless these are already present in the vicinity or known from similar settings to be non-invasive.
- Significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.

Illegal Trading and Production

- Production or trade in any product or activity deemed illegal under Vietnam's laws or regulations or international conventions and agreements, or subject to international bans.
- Trade in any products with businesses engaged in exploitative environmental or social behavior.


Labor & Working Condition

- Labor and working conditions involving harmful, exploitative, involuntary or compulsory forms of labor, forced labor³, child labor⁴ or significant occupational health and safety issues.

³ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

⁴ Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

APPENDIX 2. SUB-PROJECT SCREENING FORM

	<p>Social and Environmental Screening Report – CRWIS</p>
<p>It is important to screen each subproject to see if they will create social and environmental risks to the community. Even if there is a plan to lessen the risk to the community to people within the community, those risks should be listed, regardless of planned mitigation and management measures. It is necessary to identify potential inherent risks if mitigation measures are not implemented or fail. This means that risks should be identified as if no mitigation or management measures were to be put in place.</p>	
<p>SECTION A: General Information</p>	
<p>Date of screening:</p>	
<p>Name of sub-project:</p>	
<p>Main project component (to which sub-project relates):</p>	
<p>Name of applicant (implementing agency):</p>	
<p>Proposed sub-project budget:</p>	
<p>Proposed sub-project duration:</p>	

ES Screening Team Leader and Contact Details:	
ES Screening Team Members:	
Program/Site/Activity location	
Sub-project Description. Briefly describe the sub-project activities, particularly as they interact with the environment and social context	
Categorize sub-project activities into high, substantial, moderate, and low risk activities.	

SECTION B: Exclusion List Screening

Can you confirm that none of the activities involved those listed in the Exclusion List (Appendix 1 of the CRWIS ESCMF)?: Y / N

SECTION C: Potential Environmental/Social Risks Impacts of Activities *(sample to be updated once project activities are final-approved)*

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
General Assessment and Management of Environmental and Social Risks and Impacts					

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Is a full Environmental and/or Social Impact Assessment required for the sub-project based on: (i) its risk rating? (e.g. high or substantial risk sub-projects); and/or (ii) national legislation within Vietnam?	Yes			ESCMF	
Have there been any complaints raised by local affected peoples or groups or NGOs regarding conditions of the sub-project area or, if relevant, facility to be used? <i>If so, will project financing be used to remedy these complaints?</i>		No		ESCMF Stakeholder Engagement Plan (SEP) Grievance Redress Mechanisms (GRM)	
Is there a risk of diversion of sub-project benefits?		No		SEP GRM Ethnic Minority Plan (EM Plan) Gender Action & Social Inclusion Plan (GASIP)	
Is there a risk that sub-project benefits may not reach truly vulnerable populations?	Yes			SEP EM Plan GASIP	

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Is there a risk that sub-projects may be manipulated by different factions?	Yes			SEP GRM	
Is there a risk that the selection of the activity location or beneficiaries will lead to conflict?	Yes			GRM	
Does the sub-project area include land previously unutilized or underutilized? <i>If yes, is there are risk of unexploded ordinances (UXOs) / landmines?</i>	Yes			ESCMF guidance on UXOs and land use	
Labour and Working Conditions					
Does the activity include any of the known labour rights / SECAP non-compliance risks in Vietnam (child and forced labor)?			Don't know	ESCMF Appendices 4-8	
Will works financed include construction, reconstruction, or demolition works? <i>If yes, a construction site-specific ESCMP needs to be prepared</i>	Yes			ESCMF guidance on construction related ESCMPs and Waste Management Plans (see Appendices 4-8 of the ESCMF)	

<p>Risk Category</p> <p><i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i></p>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
<p>Does the implementing agency or subcontractor have valid operating permits, licenses, approvals, etc.? If not, please explain. Permits to screen for include: construction permits, operational/use permits, waste management permits, environmental permits, land permits, water management permits...</p> <p><i>If not, will financing be used to obtain the required permit(s)?</i></p>	Yes			ESCMF guidance on national legislation	
<p>Does the implementing agency or subcontractor have any significant outstanding environmental fees, fines or penalties or any other environmental liabilities (e.g. pending legal proceedings involving environmental issues etc.)?</p> <p><i>If yes, will the financing be used to correct this condition and please explain?</i></p>	Yes			ESCMF guidance on procurement and procedures for managing contractors	
<p>Does the activity include labour-intensive production/manufacturing?</p>	Yes			ESCMF (especially appendices 4 -8) Occupational Health and Safety Guidelines (OHSG)	
<p>Does the activity include primary agricultural activities?</p>	Yes			ESCMF OHSG	
<p>Is there a risk that the operation and maintenance of sub-project facilities cause OHS issues?</p>	Yes			OHSG ESCMF	

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Is there a risk of lacking OHS for workers at the construction site?	Yes			Develop an Occupational Health and Safety Plan (OHSP) based on the OHSG	
Is there a risk of delayed payment of workers?	Yes			ESCMF Appendices 4-8	
Is there a risk that workers are underpaid?	Yes			ESCMF Appendices 4-8	
Is there a risk that women will be excluded and/or not included in equitable numbers?	Yes			ESCMF Appendices 4-8 SEP GASIP	
Is there a risk that provision of employment or contracts sparks conflicts?	Yes			SEP GRM	
ESS 3: Resource Efficiency and Pollution Prevention Management					
Will the activity result in the production of solid waste? (directly by the sub-project or by workforce)	Yes				
Will the activity result in the production of toxic or hazardous/biohazardous waste? (e.g. used oils, inflammable products, pesticides, solvents, industrial chemicals, ozone depleting substances, animal remains, blood from slaughter, etc.)	Yes			ESCMF and the inclusion of a waste management plan and/or integrated pest & pesticide management plan within the site-specific ESCMP	

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Will the activity result in the generation of dust and noise?	Yes			ESCMF and site-specific ESCMP	
Will the activity result in soil erosion?			Don't know		
Will the activity produce effluents (wastewater)?			Don't know		
Will the activity result in increased levels of vibration from construction machinery?	Yes			ESCMF and site-specific ESCMP	
Will the sub-project produce air pollution? (e.g. significant greenhouse gas emissions, dust emissions and other sources)	Yes			ESCMF and site-specific ESCMP	
Will the activity disturb any fauna and flora?	Yes			ESCMF and site-specific ESCMP	
Will the activity result in irrigation water with high Total Dissolved Solids (TDS) with more than 1,500 ppm?			Don't know		
Can the sub-project affect the surface or groundwater in quantity or quality? (e.g. discharges, leaking, leaching, boreholes, etc.)	Yes			ESCMF and site-specific ESCMP	
Will the sub-project activities require use of chemicals (e.g. fertilizers, pesticides, paints, etc.), and/or might they prompt others to increase their use of chemicals?	Yes				

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Is there any risk of accidental spill or leakage of material?	Yes				
Community Health and Safety					
Is there a risk of increased GBV/SEA cases due to labour influx?	Yes			ESCMF Appendices 4-8 GASIP GRM	
Is there a risk of spread of communal diseases due to labour influx?	Yes			ESCMF Appendices 4-8 GRM	
Does the activity have the potential to upset community dynamics?	Yes			SEP GRM	
Will the activity expose community members to physical hazards on the sub-project site?	Yes			ESCMF and site-specific ESCMP	
Will the activity pose traffic and road safety hazards?	Yes			ESCMF and site-specific ESCMP	
Is there a possibility that the activity contaminates open wells, potable water sources, and/or water used for agricultural activities?	Yes			ESCMF and site-specific ESCMP (particularly the water & waste management section)	
Is there a possibility that the activity spreads pathogens and other pollutants (e.g. latrines)?	Yes			ESCMF and site-specific ESCMP	

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Can the activity contribute to the spread of disease (e.g. community centres during pandemic situation)?	Yes			ESCMF and site-specific ESCMP	
Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement					
Will the proposed activity/sub-project require acquisition of land, e.g.: <ul style="list-style-type: none"> • Encroachment on private property • Relocation of project affected persons • Loss of private lands or assets • Impacts on livelihood incomes This includes displacement of a population, either physically or economically (e.g. relocation for construction purposes, temporary or permanent; activities which may lead to loss of income, assets or means of livelihoods). <i>If yes, a site-specific Resettlement/Livelihood Restoration Action Plan must be prepared</i>	Yes			ESCMF exclusion list as well as the GASIP and EM Plan	
Is the project located in a conflict area, or has the potential to cause social problems and exacerbate conflicts, for instance, related to land tenure and access to resources (e.g. a new road providing unequal access to a disputed land)?			Don't know	SEP GRM ESCMF	
Will the activity lead to disputes over land ownership?		No			

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Would the project potentially discriminate against women and girls based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes			SEP GRM	
Biodiversity Conservation and Sustainable Management of Living Natural Resources					
Will the activity impact sensitive and/or protected areas?		No		ESCMF	
Is there a risk that the sub-project causes ecological disturbances?	Yes			ESCMF	
Is there a risk that the sub-project will cause (i) changes to landscapes and habitat; (ii) habitat fragmentation; (iii) blockages to migration routes; (iv) increased water consumption; and/or (v) contamination of natural habitats?	Yes			ESCMF	
Is there a risk that the activity causes loss of precious ecological assets?		No			
Cultural Heritage					
Will the subproject be located in or close to a site of natural or cultural value?			Don't know	ESCMF Appendix 4 (Chance Finds Procedures)	
Is the subproject site known to have the potential for the presence of cultural and natural heritage remains?			Don't know		

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Stakeholder Engagement and Information Disclosure					
Is there a risk that the activity fails to incorporate measures to allow meaningful, effective and informed consultation of stakeholders, such as community engagement activities?		No			
Has there been historical exclusion of disabled persons or other marginalized groups (women, children, ethnic minorities, elderly) in the area?	Yes			SEP EM Plan GASIP GRM	
Is there a lack of social baseline data?		No			
Are women likely to participate in decision-making processes regarding the activity?	Yes			SEP GASIP	
Is there a risk that exclusion of beneficiaries will lead to grievances?	Yes			SEP EM Plan GASIP GRM	

Risk Category <i>(Please check each line appropriately. At this stage, questions are answered without considering magnitude of impact – only yes, no or I don't know are applicable answers)</i>	Yes	No	Don't Know	If these risks ('yes') are present, please refer to:	Comments
Is there a risk that the activity will have poor access to beneficiaries?		No			
Will the Covid-19 outbreak hamper proper stakeholder engagement?		No			

SECTION D: Summary of the Screening Process

E&S Screening	Results and Recommendation		
Screening Results: Summary of Critical Risks and Impacts Identified	What is the potential risk/impact	Individual Risk/ Impact Rating (Low, Medium, Substantial, High)	Mitigation At the end of the screen process, tabulate the mitigation measures in an ESCMP Format (Appendix 3)
	<i>e.g. Increased use of pesticides due to increased production OR control spray methods</i>	<i>e.g. Medium</i>	<i>e.g. Pest management plan, along with training on OHS (e.g. how to use personal protective equipment (PPE), etc.)</i>
Is Additional Assessment Necessary? <i>(Evaluate the Risks/Impacts and reflect on options)</i>	Screening Result		Summary of Screening Result Justification
	No		
Is the activity excluded under the project (does appear in the exclusion list of the ESCMF)?			

APPENDIX 3. CHANCE FINDS PROCEDURE

The following “*chance find*” procedures must be included in all third-party contracts (e.g. Letters of Agreement) in instances where the contracted party is assisting with project implementation and/or construction activities.

Provincial PMUs will ensure that the bidding documents and work contract for civil works contractors include clauses on chance find procedures. Specifically, the clause will stipulate that if the Contractor discovers archaeological sites, historical sites, remains and objects, including graveyards and/or individual graves during project implementation, the Contractor shall:

- Stop the activities in the area of the chance find;
- Delineate the discovered site or area;
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be arranged until the responsible local or provincial authorities take over;
- Notify the supervisory Safeguards Specialist within the PMU who, in turn, will notify the responsible local and provincial authorities immediately (within 24 hours or less);
- Responsible local and/or provincial authorities would oversee protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by government approved archaeologists. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage; those include the aesthetic, historic, scientific or research, social and economic values;
- Decisions on how to handle the finding shall be taken by the responsible local and provincial authorities. This could include changes in the layout (such as when finding an irremovable remain of cultural or archaeological importance) conservation, preservation, restoration and salvage;
- Implementation for the authority decision concerning the management of the finding shall be communicated in writing by relevant local authorities; and
- Project activities could resume only after permission is given from the responsible local or provincial authorities concerning safeguard of the heritage.

Note that the reporting of chance finds only occurs when an item/area/etc. of cultural significance is found, and is only carried out insofar as what is detailed above (i.e. reporting the find, reporting how the item/area will be treated moving forward). Reporting begins with the local level implementer (e.g. staff tasked to the implement the project within a village) notifying the Safeguards Specialist, after which, the Safeguards Specialist guides the process according to the instructions above (e.g. notifying the relevant government authorities).

APPENDIX 4. ENVIRONMENTAL & SOCIAL CODES OF PRACTICE FOR CONSTRUCTION

Generic contract clauses are provided to assist with environmental and social management works. These clauses are general and should be modified as needed. These clauses are intended to be included as requirements in the works contract and shall remain in force throughout the contract period.

Clause on ESCMP

The Contractor is required to implement this ESCMP. The Contractor is responsible for the implementation of construction and rehabilitation activities for the sites and for implementing the impact mitigation measures in the construction phase. The Contractor's approach shall be detailed in the Contractor's Management Plan.

The Contractor shall include a suitably qualified and experienced Environmental, Occupational Health and Safety Officer (and other staff or consultants as necessary) to be specifically responsible for preparation and regular update and supervision of the ESCMP. The Environmental, Occupational Health and Safety Officer is responsible for the daily supervision and monitoring of the Contractor's implementation of the Plan and compliance with the Project ESCMP for the duration of the contract. The Contractor's approach to comply with the ESCMP shall be approved by PMU prior to the Contractor's mobilization to the site.

The Contractor will be required to report on the implementation status of the ESCMP to PMU. The damages due to the violation of the stipulations by the Contractor shall be compensated and/or restored by the Contractor at his or her own expense. Performance will be monitored by PMU and will be enforced by withholding of payments (refer to relevant clause in the bid documents).

Other Standard Clauses

Permits and Approvals

The contractor shall be responsible for ensuring that he or she has all relevant legal approvals and permits required to commence works.

Site Security

The contractor shall be responsible for maintaining security over the construction site including the protection of stored materials and equipment. In the event of severe weather, the contractor shall secure the construction site and associated equipment in such a manner as to protect the site and adjacent areas from consequential damages. This includes the management of onsite, construction materials, construction and sanitary wastes, additional strengthening of erosion control and soil stabilization systems and other conditions resulting from contractor activities which may increase the potential for damages.

Discovery of Antiquities and Cultural Heritage

If, during the execution of the activities contained in this contract, any material is discovered onsite which may be considered of historical or cultural interest, such as evidence of prior settlements, native or historical activities, evidence of any existence on a site which may be of cultural significance, all work shall stop and the supervising contracting officer shall be notified immediately and the Chance Find Procedures followed (Appendix 5). The area in which the material was discovered shall be secured, cordoned off, marked, and the evidence preserved for examination by the local archaeological or cultural authority. No item believed to be an artefact must be removed or disturbed by any of the workers. Work may resume, without penalty of prejudice to the contractor

upon permission from the contracting officer with any restrictions offered to protect the site.

Worker Occupational Health and Safety

The contractor shall ensure that all workers operate within a safe environment. Sanitation facilities shall be provided for all site workers. All sanitary wastes generated as a result of project activities shall be managed in a manner approved by the contracting officer and the local authority responsible for public health. The contractor shall ensure that there are basic medical facilities on site and that there are staff trained in basic first aid. Workers must be provided with the necessary protective gear as per their specific tasks such as hard hats, overalls, gloves, goggles, boots, etc. The contractor shall provide the contracting officer with an occupational health and safety plan for approval prior to the commencement of site activities.

The contractor must ensure that all workers operate within a safe environment. All relevant Labor and Occupational Health and Safety regulations must be adhered to ensure worker safety. Sanitary facilities must be provided for all workers on site. Appropriate posting of information within the site must be done to inform workers of key rules and regulations to follow.

Noise Control

The contractor shall control noise emissions generated as a result of contracting activities to the extent possible. In the case of site locations where noise disturbance will be a concern, the contractor shall ensure that the equipment is in good working order with manufacturer supplied noise suppression (mufflers etc.) systems functioning and in good repair.

Where noise management is a concern, the contractor shall make reasonable efforts to schedule activities during normal working hours (between 7 am and 5 pm). Where noise is likely to pose a risk to the surrounding community either by normal works or working outside of normal working hours or on weekends, the contractor shall inform the contracting officer and shall develop a public notification and noise management plan for approval by the contracting officer.

Use and Management of Hazardous Materials, fuels, solvents and petroleum products

The use of any hazardous materials including pesticides, oils, fuels and petroleum products shall conform to the proper use recommendations of the product. Waste hazardous materials and their containers shall be disposed of in a manner approved by the contracting officer in accordance with State and/or national laws and the Project ESCMP. A site management plan will be developed by the contractor if the operation involves the use of these materials to include estimated quantities to be consumed in the process, storage plans, spill control plans, and waste disposal practices to be followed. Any plans required shall be approved by the contracting officer.

Elements of the hazardous materials management shall include:

- Contractor must provide temporary storage on site of all hazardous or toxic substances in safe containers labeled with details of composition, properties and handling information;
- Hazardous substances shall be placed in a leak-proof container to prevent spillage and leaching; and
- Wastes shall be transported and disposed of in a manner outlined in the ESCMP, and cleared by the PMU Safeguards Team compliant with national laws and policies and the ESCMP.

Use and Management of Pesticides

Any use of pesticides shall be approved by the contracting officer and shall conform to the manufacturers' recommendations for use and application. Any person using pesticides shall demonstrate that they have read and understood these requirements and are capable of complying with the usage recommendations to the satisfaction of the contracting officer. All pesticides to be used shall conform to the list of acceptable pesticides that are not banned by the relevant local authority.

If termite treatment is to be utilized, ensure appropriate chemical management measures are implemented to prevent contamination of surrounding areas, and use only licensed and registered pest control professionals with training and knowledge of proper application methods and techniques.

Use of Explosives

No explosives shall be used on the Project.

Site Stabilization and Erosion Control

The Contractor shall implement measures at the site of operations to manage soil erosion through minimization of excavated area and time of exposure of excavated areas, preservation of existing ground cover to the extent possible, provision of approved ground cover and the use of traps and filtration systems. Where excavations are made, contractor shall implement appropriate stabilizing techniques to prevent cave-in or landslide. Measures shall be approved by the contracting officer.

The contractor must ensure that appropriate erosion control measures such as silt fences are installed. Proper site drainage must be implemented. Any drain clogged by construction material or sediment must be unclogged as soon as possible to prevent overflow and flooding. The use of retaining structures and planting with deep rooted grasses to retain soil during and after works must be considered. The use of bio-engineering methods must be considered as a measure to reduce erosion and land slippage. All slopes and excavated areas must be monitored for movement.

The contractor will establish appropriate erosion and sediment control measures such as hay bales, sedimentation basins, and / or silt fences and traps to prevent sediment from moving off site and causing excessive turbidity in nearby streams, rivers and wetlands. Construction vehicles and machinery will be washed only in designated areas where runoff will not pollute natural surface water bodies.

Air Quality

The Contractor shall comply with the Project ESCMP requirements for dust management.

Traffic Management

In the event that construction activities should result in the disruption of area transportation services, including temporary loss of roadways, blockages due to deliveries and site related activities, the contractor shall provide the contracting officer with a traffic management plan including a description of the anticipated service disruptions, community information plan, and traffic control strategy to be implemented so as to minimize the impact to the surrounding community. This plan shall consider time of day for planned disruptions, and shall include consideration for alternative access routes, access to essential services such as medical, disaster evacuation, and other critical services. The plan shall be approved by the contracting officer.

Elements of the traffic management plan to be developed and implemented by contractor shall include:

- Alternative routes will be identified in the instance of extended road works or road blockages;
- Public notification of all disturbance to their normal routes;

- Signage, barriers and traffic diversions must be clearly visible, and the public warned of all potential hazards;
- Provision for safe passages and crossings for all pedestrians where construction traffic interferes with their normal route;
- Active traffic management by trained and visible staff at the site or along roadways as required to ensure safe and convenient passage for the vehicular and pedestrian public; and
- Adjustment of working hours to local traffic patterns, e.g. avoiding major transport activities during rush hours or times of livestock movement.

Water Quality

The Contractor shall comply with the Project ESCMP requirements for water quality. Under no circumstances shall the contractor permit the collection of standing water as a consequence of contractor activities to ensure that it does not create breeding grounds for any pests such as mosquitoes.

Management of Solid Wastes and Construction Debris

The contractor shall provide a solid waste management plan that conforms to the national solid waste management policies and regulations and the site-specific ESCMP for approval by the PMU and IFAD (see Appendix 3 for an outline of a site-specific ESCMP). The site's waste management plan shall include a description of waste handling procedures including collection, storage and disposal through the national waste management system. There will be no open burning of waste material and the contractor shall endeavor to recycle wastes as appropriate. Under no circumstances shall the contractor allow construction wastes to accumulate so as to cause a nuisance or health risk due to the propagation of pests and disease vectors.

Management of Workers

The Contractor will prepare a specific Code of Conduct (see Appendix 9) to describe the expected behaviors of their project worker in relation to the local communities and their social sensitivities. This is to avoid creating demand for illegal sex work, avoid SEA/SH and Violence against Children, manage alcohol consumption and avoid the use of illegal substances, and abide by cultural and social norms of the host community. The Contractor is to ensure no children (persons under the age of 18) are hired to work in the project.

The Contractor is to ensure that all overseas project staff undergo a training on the Staff Code of Conduct. Gender based violence and HIV/AIDS and communicable disease awareness raising and resources shall also be provided to all workers. MARD shall provide to the Contractor a list of approved service providers, which shall include recognized NGOs and others for conducting this training.

The Contractor is to stipulate the conditions under which visitors may attend the workers' accommodation, including curfews. The Contractor shall ensure that basic social/collective rest and recreation spaces and activities within the workers accommodation to help minimize the impact that the workers would have on the leisure and recreational facilities of the nearby communities. The Contractor must comply with the Guidelines for Worker's Camps (Appendix 7).

As per guidelines in the ESCMP, the Contractor must ensure that Worker's Camps are located at least 500m from nearby communities and schools (see Appendix 7).

APPENDIX 5. GUIDELINES FOR WORKERS' CAMPS

To ensure the compliance to the OHS and ESF requirement, these guidelines will help the contractor when setting up worker's camps.

GENERAL

The Workers Camp Management Plan will be compliant with the specific prescriptions of the site-specific ESCMP. Contractors must ensure that Worker's Camps are located at least 500m from nearby communities and schools.

WORKER RECRUITMENT

The Contractor is required to minimise the number of skilled workers that are recruited from overseas. No unskilled labour will be sourced from overseas. Local communities should be prioritized for unskilled labour, including a target of 15% female unskilled workers when/where applicable. The Contractor will maximize the number of skilled and unskilled workers that are recruited from the communities along the project site.

The Contractor will be required to provide justification for any skilled workers recruited from overseas and explain why this position cannot be filled locally.

WORKERS CAMP FACILITIES

All facilities in the Workers Camp must be complaint with the stipulations of the ESCMP. The camp shall be provided with the following minimum facilities:

- Eating space and dormitories as required shall be constructed of suitable materials to provide a safe healthy environment for the workforce and which facilitate regular cleaning and the provision of ventilation and illumination.
- At least one water closet toilet, one urinal and one shower per 10 personnel engaged either permanently or temporarily on the project. Separate toilet and wash facilities shall be provided for male and female employees, including ensuring that toilets are available close to working sites/road sections where women are working.
- A sick bay and first aid station.
- Sewage collection facilities to allow for the treatment of black and grey wastewater discharge from toilets, washrooms, showers, kitchens, laundry and the like. The management of all camp wastewater water shall be as prescribed in the ESCMP.
- All camp facilities shall be maintained in a safe clean and or appropriate condition throughout the construction period.
- Throughout the period of the contract the employer, the engineer, or their representatives shall have uninterrupted access to and from the camp for the purpose of carrying out routine inspections of all buildings, facilities or installations of whatever nature to ensure compliance with this specification.

WORKERS CAMP OPERATIONS

- The Contractor will be required to provide adequate provisions for the workers for the duration of the project so as not to be a burden on the food or water security of the surrounding communities. The Contractor will strive to hire local labour to provide cleaning and food services.
- All wastewater, solid waste, freshwater usage, noise levels, handling and storage of hazardous materials shall be as prescribed in the ESCMP.

MANAGEMENT OF OFF DUTY WORKERS

- The Contractor will prepare ensure all staff sign and adhere to the Workers' Code of Conduct to describe the expected behaviours of their project worker in relation to the local communities and their social sensitivities.
- The Contractor is to ensure that all overseas project staff, not already living in Vietnam undergo a cultural familiarisation session as part of their induction training. The purpose of this induction will be to introduce the project staff to the cultural sensitivities of the local communities and the expected behaviours of the staff in their interactions with these communities.
- The Contractor is to stipulate the conditions under which visitors may attend the workers camp. Strict visiting hours should be enforced, and all visitors will be required to sign in and out of the worker's camp. No overnight visitors will be allowed.
- The Contractor shall ensure that basic social/collective rest spaces are provided equipped with seating within the Workers Camp to help minimise the impact that the workers would have on the leisure and recreational facilities of the nearby communities. Provisions should also be made to provide the workers with an active recreation space within the camp.

WORKERS CAMP MANAGEMENT PLAN

A Worker Camp Management Plan shall be submitted by the Contractor to the Provincial PMU. The Workers' Camp Management Plan shall describe how this document and the ESCMP shall be implemented in the following:

- Recruitment strategy
- Accommodation
- Canteen and dining areas
- Ablutions
- Water supply
- Wastewater management system
- Proposed power supply
- Code of Conduct for Workers
- Recreational/leisure facilities for workers
- Visitors to the Workers Camp
- Interactions with the local communities

APPENDIX 6. WORKERS' CODE OF CONDUCT

Instructions: This Code of Conduct should be included in bidding documents for the civil works contractor(s) and in their contracts once hired. This Code of Conduct should also be included in bidding documents, and the contracts, of construction contractor. This Code of Conduct is to be signed by all contractor, including subcontractors, if any, including contractors and subcontractors' managers who work under the CRWIS project.

I, _____, acknowledge that adhering to environmental, social, health and safety (ESHS) standards, following the project's occupational health and safety (OHS) requirements, and preventing Sexual Exploitation Abuse (SEA)/Sexual Harassment (SH) is important.

The Contractor/DDIS considers that failure to follow ESHS and OHS standards, or to partake in activities constituting SEA and SH be it on the work site, the work site surroundings, at workers' camps, or the surrounding communities—constitute acts of gross misconduct and are therefore grounds for sanctions, penalties or potential termination of employment. Prosecution by the Police of those who commit VAC, SEA/SH may be pursued if appropriate.

I agree that while working on the project I will:

- Carry out his/her duties competently and diligently;
- Comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other Contractor's Personnel and any other person;
- Maintain a safe working environment including by:
- Ensure that workplaces, machinery, equipment and processes under each person's control are safe and without risk to health;
- Use appropriate measures relating to chemical, physical and biological substances and agents; and
- Follow applicable emergency operating procedures.
- Report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and danger to his/her life or health;
- Consent to a background check in any place I have worked for more than six months.
- Attend and actively partake in training courses related to ESHS, OHS, VAC, SEA/SH as requested by my employer.
- Will wear my personal protective equipment (PPE) at all times when at the work site or engaged in project related activities.
- Take all practical steps to implement the environmental and social management plan (ESCMP).
- Implement the OHS Management Plan.
- Adhere to a zero-alcohol policy during work activities, and refrain from the use of narcotics or other substances which can impair faculties at all times.

- Treat women, children (persons under the age of 18), and men with respect regardless of race, color, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status.
- Not use language or behavior towards women, children or men that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.
- Not sexually exploit or abuse project beneficiaries and members of the surrounding communities.
- Not engage in sexual harassment of work personnel and staff—for instance, making unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature is prohibited: i.e. looking somebody up and down; kissing, howling or smacking sounds; hanging around somebody; whistling and catcalls; in some instances, giving personal gifts.
- Not engage in sexual favors—for instance, making promises of favorable treatment (i.e. promotion), threats of unfavorable treatment (i.e. loss of job) or payments in kind or in cash, dependent on sexual acts—or other forms of humiliating, degrading or exploitative behavior.
- Not use prostitution in any form at any time.
- Not participate in sexual contact or activity with children under the age of 18—including grooming or contact through digital media. Mistaken belief regarding the age of a child is not a defense. Consent from the child is also not a defense or excuse.
- Unless there is the full consent⁵ by all parties involved, I will not have sexual interactions with members of the surrounding communities. This includes relationships involving the withholding or promise of actual provision of benefit (monetary or non-monetary) to community members in exchange for sex (including prostitution). Such sexual activity is considered “non-consensual” within the scope of this Code.
- Consider reporting through the GRM or to my manager any suspected or actual SEA/SH by a fellow worker, whether employed by my company or not, or any breaches of this Code of Conduct.
- Complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, and Sexual Exploitation, and Sexual Assault (SEA);
- Report violations of this Code of Conduct; and

With respect to children under the age of 18:

- Bring to the attention of my manager the presence of any children on the construction site or engaged in hazardous activities.
- Wherever possible, ensure that another adult is present when working in the proximity of children.
- Not invite unaccompanied children unrelated to my family into my home unless they are at immediate risk of injury or in physical danger.

⁵ Consent is defined as the informed choice underlying an individual’s free and voluntary intention, acceptance or agreement to do something. No consent can be found when such acceptance or agreement is obtained using threats, force or other forms of coercion, abduction, fraud, deception, or misrepresentation. In accordance with the United Nations Convention on the Rights of the Child, the World Bank considers that consent cannot be given by children under the age of 18, even if national legislation of the country into which the Code of Conduct is introduced has a lower age. Mistaken belief regarding the age of the child and consent from the child is not a defense.

- Not use any computers, mobile phones, video and digital cameras or any other medium to exploit or harass children or to access child pornography (see also “Use of children's images for work related purposes” below).
- Refrain from physical punishment or discipline of children.
- No hiring of children for any CRWIS project activity (no persons under the age of 18).
- Comply with all relevant local legislation, including labor laws in relation to child labor and World Bank’s safeguard policies on child labor and minimum age.
- Take appropriate caution when photographing or filming children (see x-bb below). Photos or films of children should generally not be taken in the CRWIS, except in instances showing the benefits or impacts of road works, such as impacts to schools or school safety trainings.

Use of children's images for work related purposes

When photographing or filming a child for work related purposes, I must:

- Before photographing or filming a child, assess and endeavor to comply with local traditions or restrictions for reproducing personal images.
- Before photographing or filming a child, obtain informed consent from the child and a parent or guardian of the child. As part of this I must explain how the photograph or film will be used.
- Ensure photographs, films, videos and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive.
- Ensure images are honest representations of the context and the facts.
- Ensure file labels do not reveal identifying information about a child when sending images electronically.

Raising Concerns

If any person observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

- Contact [enter name of the Contractor’s Social Expert with relevant experience in handling gender-based violence, or if such person is not required under the Contract, another individual designated by the Contractor to handle these matters] in writing at this address [] or by telephone at [] or in person at []; or
- Call [] to reach the Contractor’s hotline (if any) and leave a message.

The person’s identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behavior prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

Sanctions

I understand that if I breach this Workers' Code of Conduct, my employer will take disciplinary action which could include:

- Informal warning;
- Formal warning;
- Additional Training;
- Loss of up to one week's salary;
- Suspension of employment (without payment of salary), for a minimum period of 1 month up to a maximum of 6 months;
- Termination of employment;
- Report to the Police if warranted.

I understand that it is my responsibility to ensure that the environmental, social, health and safety standards are met. That I will adhere to the occupational health and safety management plan. That I will avoid actions or behaviors that could be construed as VAC or SEA/SH. Any such actions will be a breach this Workers' Code of Conduct. I do hereby acknowledge that I have read the foregoing Workers' Code of Conduct, do agree to comply with the standards contained therein and understand my roles and responsibilities to prevent and respond to ESHS, OHS, VAC and SEA/SH issues. I understand that any action inconsistent with this Workers' Code of Conduct or failure to act mandated by this Workers' Code of Conduct may result in disciplinary action and may affect my ongoing employment.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

APPENDIX 7. SAMPLE TERMS OF REFERENCE FOR E&S SAFEGUARDS MONITORING CONSULTANT

The following is meant to serve as a sample Terms of Reference and should, therefore, be amended accordingly to fit the context of the CRWIS project once final decisions have been made about budget and division of tasks (e.g. whether the project's Monitoring & Evaluation (M&E) specialist will be separate from the Safeguards M&E consultant).

BACKGROUND

[Hiring unit should insert background information on the CRWIS project within the given Provincial PMU and project area here]

OBJECTIVES OF THE ASSIGNMENT

The Department of Agriculture and Rural Development (DARD) seeks the Consultancy Services of an experienced Individual Consultant “Environmental & Social Safeguards and Project Monitoring & Evaluation Consultant” as part of the Provincial Project Management Unit (full-time engagement). The objective of this assignment is monitoring compliance of the project activities with Environmental & Social Safeguards instruments. In addition, the Consultant will support the Project’s overall M&E.

SCOPE OF WORK

Duties and Responsibilities:

The specific tasks stipulated in this ToR to be undertaken by the Environmental & Social Safeguards and Project M&E Consultant include, but are not limited to the following:

With regard to Environmental and Social Safeguards:

The Consultant will assist the Project Coordinator/Project Manager and will work closely with the Environmental & Social Safeguards staff within the Provincial PMU to handle Environmental and Social Safeguards related responsibilities. Specifically:

- Undertake site visits and on-ground review, check and document compliance with site-specific measures as presented in site-specific ESCMPs.
- Provide guidance to contactors, site supervisors, and other stakeholders on manners of implementation and documentation of compliance related to environmental mitigation and monitoring measures, as presented in site-specific ESCMPs.
- Check that all documents necessary to ensure full compliance with Environmental & Social Safeguard instruments, in particular, Environmental and Social Management Plans (ESCMPs) and Ethnic Minority Plans (EMP) are prepared, regularly updated, and available to relevant stakeholders;
- Ensure that project activities, being developed as a part of the Project, are designed to include avoidance of potential social and environmental risks, as recommended in the ESCMPs and annual EM Plans already prepared;
- Provide overall Environmental and Social Management oversight during the implementation of CRWIS’s activities and advise the implementation agencies in addressing the environmental issues;
- Ensure that each subproject and related activities under the project are subject to the Project’s ESCMP procedures;
- Review subproject and activity plans, design, costs, and bidding documents and be involved in procurement of Civil Works and Supervision to ensure that Civil Works and Supervision contracts include provisions concerning the Environmental and Social Safeguard issues;
- Coordinate with relevant agencies for obtaining environmentally-related permits, as necessary;
- Communicate with local governments, contractors, and with any Environmental, Social, Health and Safety (ESHS) Experts that may be part of the subproject supervision team in all matters related to design, implementation, documenting and reporting on environmental compliance, as indicated in site-specific ESCMPs;
- Monitor implementation of site-specific ESCMPs by the Contractors to ensure that appropriate management process and procedures are in place, that Environmental and Social Safeguards related measures are adequately addressed and to ensure

that in the event of a noncompliance agreed remedial actions are applied and documented;

- Check and ensure that the regular reports are prepared and timely submitted by the Contractor as per content agreed and provide comments, as appropriate;
- Contribute to, along with the E&S Provincial PMU Specialists, preparation of semi-annual ESCMP Compliance Reports for IFAD and the
- Participate in missions and technical visits by IFAD, and work closely with the IFAD SECAP Specialists and Provincial PMU E&S Specialists to ensure the Project's compliance with relevant environmental and social policies.
- Undertake other actions related to environmental and social aspects of the Project, as may be instructed by the Project Manager/Coordinator from time to time and/or the E&S Specialists in the Provincial PMU, in order to ensure full compliance of the Project with national and international environmental and social standards and legislation.

With regard to Project Monitoring & Evaluation:

The Consultant will be in charge of the Project's Monitoring & Evaluation (M&E), design the strategic and technical approach to implementing project goals within the technical framework outlined for the Results Monitoring. The Consultant will coordinate and work with other members of the Provincial PMU, particularly any staff which DARD has assigned to operate the REDD+ MIS SIS and/or Project MIS, to ensure adequate monitoring of progress against the project indicators. In addition, the Consultant will also work closely with any specialists hired to carry out Mid-Term and/or Terminal Project Monitoring & Evaluation and facilitate the gathering of information.

- Review and familiarize themselves with the Project's documents, in particular with Project Operational Manual (POM) and Monitoring Information System (MIS) already established;
- Carry out the preparation and implementation of the M&E program and keep records on achievements, breakdowns of indicators;
- Continuously monitor progress towards the project's objectives and according to agreed Performance Monitoring Indicators;
- Report in semi-annual reports on the project objectives and Results Framework updates;
- Monitor the project's implementation and evaluate outcomes and results for each Component and Subcomponent, using the MIS;
- Determine whether the inputs in the project are well utilized;
- Monitor the project's implementation against the planned activities (physical and financial), analyze reasons for delays (if any), and propose measures and solutions to overcome delays;
- Ensure that the project's activities are properly implemented as per the agreed program, and take corrective actions when necessary;
- Identify good practices and advantages within the project, recording lessons-learned for future consideration;
- Carry out the roles and responsibilities given by the Project Coordinator/Manager;
- Support the beneficiary survey and other end-of-project evaluations
- Take all necessary measures for the maintenance of the MIS to keep it operational.

QUALIFICATIONS REQUIREMENTS

The person suitable for the position of the Environmental & Social Safeguard and Project Monitoring & Evaluation Consultant should have the following qualifications:

- Master's degree, preferable in the Environmental Sciences, Environmental Engineering or equivalent professional qualifications appropriate to the Consultancy Services requested;
- A minimum of 5 (five) years of relevant experience in Environmental & Social Safeguard Monitoring;
- Knowledge of Vietnam's regulations and laws (particularly in the EIA processes) is required;
- Familiarity with the IFAD, , and REDD+ Safeguard policies will be an advantage;
- Knowledge and experience in Project Monitoring & Evaluation is desirable;
- Proficiency in using computer and office software packages (word processing, spreadsheet etc.). Experience in the handling of web-based data and Management Information Systems will be an added advantage;
- Fluent written and spoken Vietnamese and English.

REPORTING OBLIGATIONS

The Consultant will work under the direction of and report to the CRWIS Project Manager/Coordinator within the PMU, and in close consultation with the E&S Specialists of the PMU. The Consultant will deliver monthly progress reports concerning the accomplishment of their assignments.

In addition, concerning the overall Project M&E, the Consultant shall prepare semi-annual and annual surveys on project outcomes indicators and prepare semi-annual and annual project progress reports, updating relevant parts of the Result Framework, as appropriate. This work shall be conducted in close consultation with any relevant specialists with the PMU.

CLIENT'S INPUTS

The Consultant will be based and work in the Provincial PMU office. DARD, as host of the Provincial PMU, will provide the office space and equipment required to perform the tasks assigned.

TERMS OF THE ASSIGNMENT AND DURATION

- The Consultant will work on full-time basis.
- Remuneration will be paid on a monthly basis.
- The Consultant will be offered the opportunities to grow up professionally by attending relevant training events and courses during the term of the contract.
- The initial contract with the Consultant will cover one year, with a 3 month probation period, at which time the performance of Consultant shall be evaluated and extension may be made annually pending continued performance.
- Evaluation of the 3 (three) month probation period and any contract extension would be fully based on the consultant's performance certified by the Project Coordinator/Manager and as agreed with IFAD.

APPENDIX 8. SAMPLE TORS FOR AN ENVIRONMENT & CLIMATE SAFEGUARDS SPECIALIST

BACKGROUND: [This section must include the project background, ideally tailored to the specific PPMU]

OBJECTIVE:

The Environment & Climate Safeguards Specialist will be responsible for the implementation, monitoring, and reporting of all environment and climate-related safeguards for the project. This will include, when relevant, implementation of the project's Grievance Redress Mechanism (GRM), and any items listed in the Environmental, Social, and Climate Management Framework (ESCMF). You will work in close collaboration with the Gender & Social Safeguards Specialist, as well as the project's Monitoring & Reporting specialist. You will report to the lead of the Provincial Project Management Unit.

RESPONSIBILITIES:

- Prepare, implement, and monitor environmental safeguards instruments, including the environmental & climate-risk aspects of ESCMPs and any Biodiversity Management Plans.
- Compile the environmental baseline data for ESCMPs and Biodiversity Management Plans (when applicable) at sub-project sites based on requirements of the Government of Vietnam, IFAD, and
- Identify key issues & ways to manage issues pertaining to the environment and climate.
- Conduct consultations, in collaboration with the Gender & Social Safeguards Specialist, with target communities in the project area to assess the (i) current environmental situation (at local level, this includes peoples' perception of the situation); (ii) environmental & climate-related impacts of sub-projects; and (iii) mitigation measures (including the communities' recommendations/solutions) that can be taken pertaining to any negative environmental/climate impacts
- Obtain data from, sensitize, and clearly explain to relevant government staff (or civil society organizations/partners, etc.) the data, M&E, and compliance requirements for environmental safeguards & climate risk considerations during project implementation.
- Manage, along with the Gender & Social Safeguards Specialist, the project's Grievance Redress Mechanism.

MINIMUM REQUIREMENTS:

- Manage, along with the Gender & Social Safeguards Specialist, the project's Grievance Redress Mechanism.
- Advanced University degree in Environmental Science, Biology, Environmental/Civil Engineering, or any related field.
- Minimum of 5 years of relevant operational experience and proven track record in working agricultural, forest management, and construction activities, including compliance with Environmental and Social standards
- Familiarity with climate science and management of climate risks
- Working knowledge of English and Vietnamese proficiency.
- National of Viet Nam.

CORE COMPETENCIES:

- Results Focus

- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

TECHNICAL/FUNCTIONAL SKILLS:

- Work experience in implementation and management of international safeguards standards pertaining to environment, climate, and agroforestry activities.
- Knowledge of issues pertaining to environment, climate, and biodiversity.
- Knowledge of computer-aided design programs, AutoCAD required and Structural Analysis programs.
- Knowledge and understanding of international environmental and social safeguards standards and practices

SELECTION CRITERIA:

- Demonstrated capacity supervise agricultural, forest management, and construction activities, including compliance with Environmental and Social standards
- Demonstrated ability to liaise with multiple agencies and contractors, effectively building an understanding and partnership with other UN bodies, NGOs, government agencies, and contractors
- Ability to plan, organize, implement, and report
- Excellent communication, writing, and presentation skills in English and Vietnamese
- Teamwork spirit, ability to work under minimum supervision
- Ability to build effective working relationships with national and international colleagues, with different cultural and technical backgrounds
- Proven strong communication, interpersonal and negotiation skills
- Analytical skills and experience.
- Ability to keep sensitive information as confidential.

APPENDIX 9. SAMPLE TORS FOR A GENDER & SOCIAL SAFEGUARDS SPECIALIST

BACKGROUND: [This section must include the project background, ideally tailored to the specific PPMU]

OBJECTIVE:

The Gender & Social Safeguards Specialist will be responsible for the implementation, monitoring, and reporting of all environment and climate-related safeguards for the project. This will include, when relevant, implementation of the project's Grievance Redress Mechanism (GRM), and any items listed in the Environmental, Social, and Climate Management Framework (ESCMF). You will work in close collaboration with the Gender & Social Safeguards Specialist, as well as the project's Monitoring & Reporting specialist. You will report to the lead of the Provincial Project Management Unit.

RESPONSIBILITIES:

- Prepare, implement, and monitor social safeguards instruments, including the social aspects of ESCMPs, the Labour Management Plan, and EM Plan.
- Compile the social baseline data for ESCMPs, LMPs, and EM Plans at sub-project sites with information on demographics, ethnic/religious minorities and indigenous populations, overall population, education, health, social protection, language(s), religion, and any other areas required based on IFAD and guidelines
- Identify key issues & ways to manage issues pertaining to gender, IP, and social inclusion.
- Conduct consultations, in collaboration with the Environment & Climate Specialist, with target communities in the project area to assess the (i) current social situation (at local level, this includes peoples' perception of the situation); (ii) social impacts of sub-projects; and (iii) mitigation measures (including the communities' recommendations/solutions) that can be taken pertaining to any negative social impacts
- Obtain data from, sensitize, and clearly explain to relevant government staff (or civil society organizations/partners, etc.) the data, M&E, and compliance requirements for social safeguards & gender/IP/social inclusion during project implementation.
- Manage, along with the Environment & Climate Safeguards Specialist, the project's Grievance Redress Mechanism.

MINIMUM REQUIREMENTS:

- Advanced University degree in Social Sciences, Gender Studies, International Development, or any related field to social inclusion/gender and social safeguards.
- Minimum of 5 years of relevant operational experience and proven track record in working on development projects in the agriculture/forest sector.
- Working knowledge of English and Vietnamese proficiency.
- National of Viet Nam.

CORE COMPETENCIES:

- Results Focus
- Teamwork
- Communication
- Building Effective Relationships
- Knowledge Sharing and Continuous Improvement

TECHNICAL/FUNCTIONAL SKILLS:

- Work experience in implementation and management of gender and social inclusion activities, and social safeguards to international standards.
- Knowledge of issues pertaining to ethnic minorities, Indigenous Persons, gender, youth, and other vulnerable populations.
- Knowledge and understanding of international environmental and social safeguards standards and practices

SELECTION CRITERIA:

- Demonstrated capacity supervise agricultural, forest management, and construction activities, including attention to issues of gender and social inclusion and compliance with Environmental and Social standards
- Demonstrated ability to liaise with multiple agencies and contractors, effectively building an understanding and partnership with other UN bodies, NGOs, government agencies, and contractors
- Ability to plan, organize, implement, and report
- Excellent communication, writing, and presentation skills in English and Vietnamese
- Teamwork spirit, ability to work under minimum supervision
- Ability to build effective working relationships with national and international colleagues, with different cultural and technical backgrounds
- Proven strong communication, interpersonal and negotiation skills
- Analytical skills and experience.
- Ability to keep sensitive information as confidential.

APPENDIX 10. SAMPLE TORS FOR ENVIRONMENTAL IMPACT ASSESSMENT (EIA) FOR SUB-PROJECTS

1 Introduction

This terms of reference has been prepared as a general guideline for the preparation of an Environmental, Social Impact Assessment for use with sub-projects that are being implemented within the CRWIS context. If the sub-project is to be funded or supported in any way by external support agencies it is important that all the safeguard requirements of that funding agency are adhered to. IFAD and Vietnamese Government have particularly stringent guidelines in relation to environmental and social impacts of a project and also if there is any disruption to livelihoods, housing and incomes during and after implementation these need to be addressed in compliance with IFAD requirements.

2. Objectives

The aim of the study is to achieve the following objectives:

- To review of existing Environmental Impact Assessment (EIA)
- To identify and assess potential environmental and social impacts of the project.
- To identify all potential significant adverse environmental and social impacts, of the projects and recommend measures for mitigation.
- To review and develop an Environmental, Social, Climate Management Plan (ESCMP).
- To prepare an Environmental and Social Impact Assessment, and ESCMP reports compliant to the relevant authorities, and detailing findings and recommendations.

3. Scope of the Consultancy Services

The consultant is expected to undertake investigations on social aspects, economic activities, and conservation of natural resources, historical and anthropological heritages, public consultations and disclosures. The proposed transmission line route and associated substations will be provided to give a guideline of the facilities to be studied. The scope of services to be undertaken by the Consultant shall include the following tasks.

3.1 Task 1. Detailed Desk-top Review

The Consultant is to review all existing documentation, and any previous EIA, Resettlement Action Plan (RAP), and ESCMP reports. They shall further undertake a detailed study of the proposed (project), mapping on actual map of appropriate scale. The Consultant shall then concisely describe each facility assessed, its geographic, ecological, general layout of facilities including maps at appropriate scale where necessary Information on size, capacity, facilities and services should also be provided.

3.2 Task 2. Description of the baseline environment

The Consultant is required to collect, collate and present baseline information on the environmental characteristics of the existing situation around each sub-project. This description should involve but not limited to:

- Physical environment (topography, land cover, geology, climate and meteorology air quality, hydrology, etc.)
- Biological environment (i.e., flora and fauna types and diversity, endangered species, sensitive habitats etc.)
- Social and cultural environment, including present and projected. Where appropriate (i.e., population, land use, planned development activities, community social structure, employment and labor market, sources and distribution of income, cultural/religious sites and properties, vulnerable groups and indigenous populations etc.)
- Economic activities, agriculture, livestock, fisheries, small scale industries etc.

3.3 Task 3. Legislative and Regulatory Framework

The Consultant shall identify and describe the pertinent regulations and standards - both local and international, governing the environmental quality, health and safety, protection of sensitive areas, land use control at the national and local levels and ecological and socio-economic issues. Thereafter, the Consultant shall identify the project activities that should comply with the identified regulations.

3.4 Task 4. Determination of impacts of project facilities and activities

From the detailed field study, the Consultant shall analyze and describe all significant changes brought about by each facility/activity. These would encompass environmental, ecological and social impacts, both positive and negative, as a result of each facility/activity intervention that are likely to bring about changes in the baseline environmental and social conditions discussed in Task 2.

The Consultant will make a prioritization of all concerns identified and differentiate between short, medium, long-term and cumulative impacts during construction, operation and decommissioning. The Consultant shall also identify both temporary and permanent impacts. A detailed outline and discussion of specific conditions that might affect the environment which are unique to the type of facility and/or operation being audited should be provided.

3.5 Task 5. Occupational health and safety concerns

The Consultant shall analyze and describe all occupational health and safety concerns brought about by activities during all the phases of the project. The Consultant shall make recommendations on corrective and remedial measures to be implemented under the environmental management plan.

3.6 Task 6. Development of management plan to mitigate negative impacts

The Consultant shall develop a comprehensive environmental management plan. The plan should recommend a set of mitigation, monitoring and institutional measures to eliminate, minimize or reduce to acceptable levels of adverse environmental impacts and/or maximize socio-economic benefits. The Consultant should provide cost outlays for the proposed mitigation measures as well as their institutional and financial support, time frame and responsibility. This shall be provided for all the project phases.

3.7 Task 7. Development of re-settlement action plan

The consultant shall undertake a socio-economic survey of the communities affected by the project.

- Conduct a census of the affected persons and identification of vulnerable groups and indigenous populations.
- Develop an eligibility criteria and establishment of a cut-off date.
- Evaluate and prepare an inventory of the affected properties
- Evaluate all other socio-economic costs.
- Conduct public consultations/awareness creation of the relevant stake-holders, taking into consideration the gender concerns and vulnerable groups.
- Identification of alternative relocation sites, where affected person might have to be resettled.
- Develop adequate livelihood restoration mechanisms.
- Prepare the resettlement implementation costs.
- Preparation of implementation schedule.
- Develop a monitoring and evaluation methodology
- Consider the relevant legal provisions for land acquisition and resettlement during preparation of an appropriate re-settlement action plan.
- Prepare and submit a detailed resettlement action plan.

- Develop a conflict resolution mechanism.

3.8 Task 8. Development of monitoring plan

The Consultant is required to give a specific description, and technical details, of monitoring measures for ESCMP, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, definition of thresholds that will signal the need for corrective actions as well as deliver a monitoring and reporting procedure. The Consultant should provide a time frame and implementation mechanism, staffing requirements, training and cost outlays.

3.9 Task 9. Comparison

The consultant shall undertake a comparison of any other options that have been considered and studied. These other alternatives shall be compared to the proposed final concept; and pros/cons of each proposal detailed.

3.10 Task 10. Study Reports

The output will be an Environmental, Social, Climate Impact Assessment report prepared in accordance with the regulatory provisions. The report shall be in the English Language and Vietnamese and be clear and concise. The reports should be in a format acceptable to local competent authorities, international environmental standards and development partners. The Consultant shall present the reports to relevant environmental authorities for approval in the required number of copies (Should specify xx hard copies bound, provided in both word and pdf).

3.11 Task 11. Approval

The Consultant shall present the report prepared under Task 9 for approval by the relevant authorities. The Consultant shall be responsible for making any modifications that the authorities may demand before approval of the report.

2.12 Task 12. Counterpart Staff

For the purpose of capacity building the Consultant shall undertake the study together with counterpart staff seconded by the Client.

2.13 Task 13

Other relevant documents All the comments in the Attachment to this TOR from the various EIA Authorities which are considered vital but not considered on the last Final ESIA reports shall be carefully addressed.(If needed)

1. Study Description

This being a category (xx) project, the consultants will conduct a full Environmental and Social Impact Assessment (ESIA) and prepare an Environmental, Social, and Climate Management Plan (ESCMP) in accordance with the IFAD and Vietnamese GoV's Environmental and Social Assessment Procedures. This will comprise all the tasks that are required for a full environmental assessment, as described hereafter. The Consultant will be responsible for gathering, reviewing and analyzing all necessary data and information. Where these are insufficient, the Consultant shall make all practical efforts to produce the missing information/data including professional estimates and predictions based on the most likely conditions at the project area, reliable information and data from similar situations and conditions, etc.

The Consultant shall characterize the extent and quality of available data and describe the key-data gaps and the uncertainties associated with estimates, predictions, and data used from similar situations. The methods of accommodating these gaps and uncertainties in the ESIA should be well stated and presented by the Consultant. When estimated values are used in place of data, the Consultant will be required to provide the

uncertainty limits associated with these values and perform an appropriate sensitivity analysis.

The work will also include thorough consultations and meetings with all parties concerned (affected population or their representatives; local, regional, and national authorities; representatives of the scientific community; NGOs; etc.); in strict accordance with the requirements of the Vietnamese policies and procedures.

4.1 Main Tasks

The consultant will be responsible to review and update the following tasks:

- Examine all aspects of the sub-project and will produce an inception report which will review the tasks to be carried out and agree with the client on any modifications and additions that may be required.
- Prepare a detailed work plan indicating schedules and inputs required to complete the tasks.
- During this inception period the consultant will carry out a scoping exercise that will provide the basis for the final report and detailed work plan.
- Prepare a public consultation and disclosure plan.

4.2 Detailed Tasks

4.2.1 Provide description of the proposed Project

The consultant will provide a brief description of the sub-project including maps (at appropriate scales) where necessary.

4.2.2 Public consultation process

The consultant will:

- Identify all affected people (e.g. people affected by construction activities and during operation) and will facilitate dissemination of information to relevant authorities and interested and affected parties (IAPs) concerning the proposed project NGOs and government departments and agencies that may have a stake in the Project and its effects should be consulted.
- Prepare a Stakeholder Consultation Plan, providing an opportunity for the relevant authorities and IAPs to raise issues and concern pertaining to the proposed project and allow the identification of the additional alternatives and recommendations.
- Describe a schedule for public consultation with these different groups, including number and timing of public input, and the methods to be employed (e.g. media announcements, town hall meetings, questionnaires, one-on-one meetings, public EA steering committees). Public consultation should occur, at least, during the inception and collection of baseline information, and at the draft report stage. An annex of ESIA should summarize the Public consultation process and the results of the consultation process.
- Gather more detailed information through which the study team could anticipate issues not raised by the IAPs that will be addressed by the environmental impact assessment report.
- Focus the study on relevant issues and recommend specific investigations, such that the resulting ESIA is useful to decision makers and it addresses the concerns of IAPs

4.2.3 Legal and Administrative Framework

1. Describe the pertinent regulations and standards governing environmental quality, health and safety, protection of sensitive areas, protection of endangered species, land use control, etc., at national and local levels.

2. Describe the current administrative arrangements for environmental regulation, enforcement and management in Vietnam

3. Provide a general assessment of the (name of agency who will be managing the project) and relevant government agencies involved in environmental and social management issues, to ensure that the ESMP will be effectively implemented. The agencies may need strengthening through capacity building measures to be specified in the ESMP.

4.2.4 Description of the environment/project setting

Assemble, evaluate and present baseline data on the relevant environmental and social characteristics of the study area. In addition to the data being used for determining and assessing impacts it will be used as a baseline against which future changes caused by the Project can be measured and monitored. The data should include any information on changes anticipated before the sub-project commences. The description should contain relevant descriptions of the following:

- Physical environment: geology, topography, soils, climate and meteorology; ground water and surface hydrology.
- Biological environment: flora; fauna; forests; rare or endangered (maybe name anything specific, if known, or create Appendix) significant natural sites, etc.; species of commercial importance, and species with potential to become nuisances, vectors or dangerous.
- Socio-cultural environment: (include both present and projected where appropriate); population affected (numbers and subsistence systems), land use where appropriate and property (including houses, crops trees, plants, other properties. etc.); planned development activities; public health; cultural characteristics (including cultural property and heritage); and gender differentiation.
- Economic activities: livelihood; employment; gender composition cross border migration. Some examples of the specific activities are: recording plant species that may be affected, based on field surveys; identification of any species of special concern, namely species with conservation status or endemic to the area; commentary on conservation status of specific species; compilation of a broad scale vegetation or habitat map of the area indicating the extent to which the project would affect each vegetation or habitat type; description of current land use and compilation of a broad land use map.

4.2.5 ESIA Methodology used

As a chapter of the ESIA report the consultant will describe the methods used for conducting the ESIA (scoping and bounding, impact analysis and public consultation process, etc.). The consultant will include a public participation plan to include stakeholder identification process, stakeholders identified, stages within the ESIA process where stakeholders have participated, and the different levels of participation used. Identification of impacts will include the identification of the important environmental components, and selection criteria used for identifying the significant impacts (positive and negative) whenever possible. Significant levels may be determined through the application of scoring system if the consultant is of the opinion that such an approach is warranted. The consultant will employ environmental economic analysis where applicable, particularly to justify significant impacts to be mitigated.

4.2.6 Potential Impacts of the proposed sub-project

Using the collected baseline data and the system or monitoring and evaluation, the consultant will take a systematic approach to identification mitigation and evaluation of all impacts and will identify potential changes which the Project may cause. These would include, but not be limited to, changes in the following:

- Physical environment
- Biological environment.
- Socio-cultural environment.
- Economic activities.
- Employment opportunities.
- Safety issues, including (i) measures to assure safety of local residents with respect to exposure to electromagnetic radiation, (ii) measures to ensure transformers and equipment at the substations do not contain PCBs; (iii) ensure that the safety and health concerns of temporary and migrant workers are addressed, and (iv) an HIV/AIDS program for workers and affected communities.
- Construction phase impacts.
- Impacts of work camps.
- Waste management for the entire project, including the work camps and construction sites. Changes in land use, land tenure patterns and land grabbing as a consequence of improved access: (i) residential patterns; (ii) agricultural practice; (iii) livestock management (pastoralism); (iv) commercial use; (v) traditional use (herb, firewood collection, sacred sites etc.); (vi) access to public services (health, education etc.).
- Impacts of access roads and how to manage these impacts and if needed closure or immobilization of access roads. In case of improved access to sensitive natural and critical natural habitats through access road to be constructed under the project, an Induced Access Management Plan needs to be prepared, in order to manage longer term impacts on natural habitat.
- Traffic density, safety and dust control.
- Land acquisition and settlement and per IFAD Guidelines

The Consultant will analyze:

- Positive and negative impacts.
- Direct and indirect impacts, short term and long term.
Impacts those are avoidable/unavoidable - reversible/irreversible
- Pre-construction actions to avoid or minimize negative impacts.
- Construction and operational phase impacts.
- Cumulative impacts occurring as a consequence of other activities in
- The project area: existing activities, projects under construction or planned activities within a reasonable time frame.
- Impacts in critical and non-critical habitats.
- Identify the potential risk of the spread of HIV/AIDS and other sexually transmitted diseases during the construction period, and prepare a detailed plan for awareness and prevention including resource implications.

Wherever possible, the consultant will describe impacts quantitatively. In terms of environmental costs and benefits, and assign economic values when feasible. Impact analysis should be divided between construction and operation impacts.

4.2.7 Environmental, Social, and Climate Management Plan

An Environmental, Social, and Climate Management Plan (ESCMP) that addresses the following aspects should be prepared:

- Activities and impacts: Predicted adverse environmental and social impacts (and any uncertainties about their effects) for which mitigation is necessary should be identified and summarized. Effective measures to prevent or reduce significant negative impacts to acceptable levels during (i) construction and (ii) operation. Estimate the impacts and costs of those measures. Estimate the costs of any residual impacts. Another area of impacts that could contribute substantially is the cumulative effects of construction and operational phases of the Project. Most

of these, if not all, can be avoided by following a set of best practices that the consultant will prepare (e.g. construction workers not littering, soil stockpiled in such a way as to prevent erosion and waterway sedimentation, only working day shifts to avoid unnecessary noise to adjacent households).

- Description of implementation and monitoring program: Prepare detailed institutional arrangements (responsibilities) for implementing and for monitoring implementation of mitigation measures and the impacts of the project during construction and operation and maintenance. This will include a description of monitoring methodology, specific operations and features to be monitored, monitoring reporting relationships, and arrangements to ensure that monitoring is effective and leads to modifications where required to ensure minimal impact on the environment. Include in the plan an estimate of costs and description of other inputs such as training and institutional strengthening to ensure effective monitoring. An indication of what performance indicators to be used is to be provided.
- Institutional strengthening and training: Identification of institutional needs to implement environmental recommendations: Review the authority and capability of (implementing agent) and other relevant institutions and recommend steps to strengthen or expand these institutions to ensure that effective environmental management and monitoring will occur.

4.2.8 Resettlement Action Plan (RAP)

If required (if the Sub-Project engages resettlement activities), the Consultant shall develop a comprehensive RAP based on a door-to-door survey ("resettlement survey") for all expropriation operations and displacements of houses and businesses needed for the selected option.

The objective of the RAP is to ensure that the population to be expropriated and displaced by the project is formally consulted and adequately compensated and treated. Involuntary resettlement should be avoided or minimized where feasible. However if displacements and expropriation are unavoidable, a resettlement plan needs to be developed. Displaced and expropriated persons should be consulted and compensated for the losses at full replacement costs prior to the actual move. Secondly they should be assisted in the move and supported during the transition period in the resettlement site. Thirdly assistance should be provided in their efforts to improve on their former living standards or at the very least maintain them. In general, a RAP would include the following sections:

- Executive Summary: including the statement of objectives legal framework and main recommendations
- Description of the Project: including a general description and identification of the project area
- Potential impacts, including identification of:
 - a) The project component or activities that give rise to resettlement.
 - b) The zone of impact of such activities
 - c) The alternatives considered to avoid or minimize resettlement; and
 - d) The mechanisms established to minimize resettlement to the extent possible, during project implementation.
- Main objectives of the resettlement program

4.2.9 Socio-economic survey

Findings of socio-economic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including:

The results of a census survey covering the following:

- The current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people for eligibility for compensation and resettlement assistance; Standard characteristics of displaced households
- The magnitude of the expected loss - total or partial – of assets, and the extent of displacement, physical or economic;
- Information on vulnerable groups or persons, for whom special provisions may have to be made; and
- Provisions to update information on the displaced peoples livelihoods and standards of living at regular intervals

Other studies describing the following:

- Land tenure and transfer systems, Including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems, and any issues raised by different tenure systems in the project area;
- The patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project
- Public infrastructure and social services that will be affected and
- Social and cultural characteristics of displaced communities including a description of formal and informal institutions that may be relevant to the consultation strategy and to designing and implementing the resettlement activities

Legal framework including the following:

- 9. The scope of the power of eminent domain and the nature of compensation associated with It In terms of both the valuation methodology and the timing of payment;
- The applicable legal and administrative procedures;
- Relevant laws governing land tenure, valuation of assets and losses, compensation and natural resource usage rights customary personal law related to displacement and:
 - Laws and regulations relating to the agencies responsible for implementing resettlement activities:
 - Gaps, if any, between local laws in the two countries covering eminent domain and resettlement and the (donor or bank) resettlement policy, and the mechanisms to bridge such gaps and
 - Any legal steps necessary to ensure the effective implementation of Resettlement activities under the project.

Institutional framework covering the following:

- The identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;
- An assessment of the institutional capacity of agencies and NGOs; and
- Any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.

5. Reporting

The consultant will produce the following reports in draft and final versions:

- Inception Report including a detailed work plan (if completed)
- Environmental, Social, Climate Impact Assessment
- Induced Access Management Plan (If needed)
- Environmental and Climate Management Plan

- Resettlement Action Plan
- Stakeholder Consultation Plan
- Others (to be specified)

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex: Annex Secap Ethnic Minority Plan Vietnam Crwis

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Climate Resilient and inclusive Water Infrastructure for rural
Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)

ETHNIC MINORITY PLAN

Chau Khe Commune, Con Cuong District, Nghe An Province

Version 2
(December 27, 2023)

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Definitions

Disadvantaged individuals/groups. Refers to individuals or groups who, due to certain own circumstances such as their age, gender, disabilities, health, economic and ethnic status, and so forth, are more likely affected adversely by the project impacts and/or more limited in their ability to take advantage of project benefits. Disadvantaged individuals/groups are more likely excluded from, or unable to participate fully in the mainstream consultation process and may require specific assistance to promote inclusion.

In this project, disadvantaged individuals/ groups are defined as those who have the following characteristics: i) from an ethnic minority group, (ii) female headed household with dependents, (iii) landless/ limited productive land, (iv) frequent lack of male labor at home (e.g. migrant workers); (v) jobless, or limited economic opportunities; (vi) family member(s) with chronic illness, or disabilities; (vii) elderly who live on their own; (viii) people living in an especially difficult circumstance, and (ix) people don't meet above criteria but are concurred by local community as vulnerable to poverty and need project's support to reduce their vulnerability. It is noted that disadvantaged individuals are usually from a poor, or a near-poor household.

Indigenous Peoples. According to the UN the most fruitful approach is to identify, rather than define indigenous peoples. This is based on the fundamental criterion of self-identification as underlined in a number of human rights documents. A working definition has been also used to facilitate the dialogue and IFAD's policy of engagement with Indigenous Peoples states the following:

- Priority in time, with respect to occupation and use of a specific territory;
- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
- Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
- An experience of subjugation, marginalization, dispossession, exclusion or discrimination.

Information Disclosure. The process of disseminating project information to stakeholders to allow them to understand the risks and impacts of the project, and potential opportunities. Documentation of the consultation process undertaken during project preparation along with FPIC implementation plans, EMP and indigenous peoples planning frameworks should be accessible and disclosed in a timely manner, in a place accessible to indigenous stakeholders and in a form and language understandable to them.

Meaningful consultation. Two-way process that starts early and be carried out on a continual basis throughout the project cycle to adequately inform the affected persons of the project's potential adverse displacement impacts and proposed mitigation measures including resettlement options: a) Information on the nature and scope of the project; b) The scope of and reason for land acquisition and/or access restrictions, c) Resettlement objectives and entitlement matrix and resettlement options, d) The right of the displaced to participate in resettlement planning and implementation, e) An accessible grievance mechanism. Meaningful consultation also ensure that a) affected persons have the opportunity to influence resettlement plans, b) there is no coercion or intimidation and that affected persons can freely express their views early on and during implementation, c) gender-

inclusive and tailored to needs of disadvantaged and vulnerable groups; and d) affected groups are able to monitor the RP.

Stakeholders. Parties interested in, potentially affected by or that influence project implementation. In the context of environmental, social and climate assessments, stakeholders may include: (i) donor agencies and government entities in the donor country; (ii) governments in the country of implementation; (iii) other bilateral multilateral donors; (iv) NGOs; and (v) civil society (adapted from United Nations Development Programme, 2017).

Vulnerable individuals/Households/Group. Group of affected persons who are likely to be more adversely affected by land acquisition than others and who are likely to have limited ability to re-establish their livelihoods or improve their status. Vulnerable persons are categorized as: (i) households living below the poverty rate as established by government's regulation; (ii) elderly people headed households with no means of support; (iii) female headed households with dependents living below the poverty rate; (iv) disabled headed households, (v) landless poor living below the national poverty rate; and (vi) ethnic minorities (who often have traditional land rights but no formal titles).

1. INTRODUCTION

1.1 Project Overview

1.1.1 Project Rationale

The Government of Viet Nam (GoV) and IFAD agreed to finance and develop jointly the Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An Provinces (CRWIS). CRWIS will be implemented in the two provinces of Thanh Hoa and Nghe An focusing on renovating and upgrading irrigation, drainage and flood control infrastructure to support socio-economic development and respond to climate change. Improved irrigation builds smallholder farmers' resilience to both climate and market shocks by providing them opportunities to expand their businesses (higher productivity, diversification and lower risks) and take charge of their own development, thus contributing to food security, poverty reduction and environmental sustainability.

CRWIS project goal is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces". The Project Development Objective is to "Catalyse climate-informed water management for irrigation and flood control and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods."

This will be achieved through the three interlinked outcomes of: 1) Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure; 2) Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management; and 3) Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models.

1.1.2 Project Goal & Development Objectives

The project goal is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces".

The Project Development Objective (PDO) is to "Catalyse climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods."

1.1.3 Project Outcomes and Outputs

This will be achieved through the three interlinked outcomes described below.

Outcome 1: Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure

- Output 1.1: Improved access to and efficiency of irrigation water for smallholders. The project will undertake the rehabilitation and modernization of pumping stations and concretised irrigation canals (I and II) to improve the efficient use of water and increase agricultural production by optimising the existing infrastructure and increasing their adaptive capacity to withstand climate risks. The project will coordinate and provide capacity development to Government-led rehabilitation programmes under NTP-NRD targeting on-

farm irrigation canals (III and IV) and small-scale irrigation systems for improved farm level water management.

- Output 1.2: Improved prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. The project will undertake the rehabilitation of critical sections of river dikes to strengthen the protection of agricultural and residential lands against the impacts of floods, saline intrusion and coastal and river erosion.
- Output 1.3: Improved connectivity between communes and physical access to infrastructure, markets and services. The project will undertake the construction and rehabilitation of on-dike roads and access roads to pumping stations, to strengthen WUGs capacity for timely water management, facilitate maintenance and operation, improve connectivity between rural communes and provide better access to services and markets, and improved mobility of rural smallholders including women.

Outcome 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management

- Output 2.1: Improved capacity of water user groups for inclusive irrigation water management. The project will include gender-responsive capacity building of WUGs in sustainable and climate-informed community-led water management and maintenance of infrastructure.
- Output 2.2: Improved local institutional capacity and coordination mechanism for integrated, inclusive and climate-informed water management. The project will develop an operational plan for an inclusive institutional coordination mechanism on integrated water management, review and upgrade existing Climate Information Systems (CIS), update flood and drought risk maps at district and commune levels, build capacity of local institutions in data collection, analysis and provision of hydrometeorological information for agriculture. Specifically, the project will support women's empowerment in decision-making for water management and climate change action plan, and provide opportunities for increasing youth employability in existing and emerging labour markets around climate and water management.

Outcome 3: Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models

- Output 3.1: Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge. The project will undertake multi-stakeholder surveys to assess existing climate-adapted business models, identify profitable irrigated commodities for smallholders, establish Farmer Field Schools to upscale CSA technologies and practices. The project will specially target vulnerable smallholder farmers to pilot innovations and de-risk the adoption of improved agricultural models through targeted small-scale investments.
- Output 3.2: Increased smallholder farmers' income from facilitated business linkages with the private sector. The project will support the establishment of public-private-producers partnership (4P) platforms and the organisation of policy dialogues to strengthen business linkages among value chain actors, aimed at providing timely agrometeorological advisory services to smallholders and sustainable market opportunities for their produce.

1.2 Potential investment

The project, by this stage, considers financing rehabilitation of the irrigation canal and a pumping station for an command area of about 114 ha that serves farmers in two villages: Village 29 and Village Bãi Gạo. It is noted that only 1/5 of this command area currently have irrigation access. The remaining 4/5 still need reliable water access to maintain their rice and maize crops that they depend for home consumption, and maize for their animal.

It is anticipated a total of 242 households (1,060 people) from the above two villages will benefit from the proposed subprojects. Of the 242 households, 101 Thai ethnic minority households (41.7%), will directly receive benefit from the subproject. Of the total 242 potential beneficiary households, there are 34 households classified as poor households, and 133 near-poor. It is anticipated at the stage, based on the rehabilitation of 1.4km main canal, no permanent land acquisition is required from local people. However, an estimated 1,500 m² of land of about 58 local households may be required only temporarily during construction stage to facilitate the rehabilitation of the main canal. The contractors will be encouraged to use public land as needed to facilitate their construction activities, particularly where worker camp is needed, and/or where a place is needed for material stockpile. If private land is still required (because of its convenient location other than public land), contractor will be required to rent these lands from local people through negotiated contract, and return these rent land back to land owner upon completion of the construction. Returned land will be restored to the pre-contract condition – to the satisfaction of the land owners. The scope of temporary land impact is expected to be either none, or very minor, at subproject level, due to the availability of large area of public land near and inside the command area in Chau Khe commune. No adverse impact is anticipated for farmers who wish to rent part of the land to the contractor if the contractors need it. Both farmers and contractors have a choice.

It has not yet confirmed at this stage, if there are other investment that will be in other villages of Chau Khe commune. It is currently assumed that people in neighboring villages of Village 29 and Village Bãi Gạo could receive some project benefits (as indirect beneficiaries) in terms of new farming knowledges (e.g., crop care, household nutrition, trading of farm produce, and market development), through direct beneficiaries from the above two villages, and through local agricultural extension network.

1.3 Purpose of EMP

The purpose of this EMP is to ensure the EM (Thai people) who are living in the subproject's area of influence in Village Bãi Gạo are informed of, and consulted on the environmental and social risks and impacts that are currently identified with project investment described above. Based on the consultation which is conducted based on Free, Prior, and Informed principle, mitigation measures for identified E&S risks are discussed with potentially affected EM peoples, including how the grievances of the affected EM, if any, are resolved under the project.

The purpose of the EMP is to also ensure EM people in the subproject area receive socio-economic benefits that are cultural appropriate to them. By this stage of project design, it is identified that within the two target villages (as mentioned above), there are Thai people living in project village (Village Bãi Gạo). There are also non-target ethnic minorities living in neighboring villages which is outside subproject's area of influence which the EMP currently covers.

2. LEGAL FRAMEWORK

2.1 National Laws and Regulations

The Constitution of the Socialist Republic of Vietnam (2013) recognized the equality between Ethnic Minorities in Vietnam. Article 5 of the Constitution in 2013 provides:

- Socialist Republic of Vietnam is the unified state of all nationalities living in the country of Vietnam.
- The nationalities equal, unite, respect and help each other to develop; prohibits any discrimination, or ethnic division.
- The national language is Vietnamese. The nation has the right to use voice, text, preserving the national identity, promoting traditions, customs, traditions and culture.
- The State implements a comprehensive development policy and creates reasonable conditions for the ethnic minorities to mobilize resources, along with the development of the country.

It is required that economic and social policies are designed in accordance to the needs of each ethnic minority group, and each region. The Socio-Economic Development Plan and Socio-Economic Development Strategy of Vietnam has a particular focus, among other things, on ethnic minorities. This is indicative of past major programs that target ethnic minority people such as the Program 135 (infrastructure in poor and remote areas), Program 134 (eradication of poor-quality houses), and ongoing development program such as the National Target Program on Socioeconomic Development of Ethnic Minorities and Mountainous Areas from 2021-2030 (via Decision 1719/QĐ-TTg dated 14 October).

In addition to development program dedicating to supporting development of ethnic minorities, there are various legal documents that are fundamental in setting the principles for development support, such as those related to promoting the participation of local people in development process such as Decision No. 80/2005/QĐ-TTg by the Prime Minister (dated 18 April 2005) providing guidance on monitoring of community investments, Ordinance No. 34/2007/PL-UBTVQH11 (dated 20 April 2007) on implementation of democracy in communes, wards, and town that foster engagement and participation of community in preparation of development plans and in supervision of development process. Table below provide a list of key legal documents that apply to development of ethnic minorities in Vietnam, which also apply to ethnic minorities living in the project area.

Table 1 – Key Legal Documents related to Development and Support for Ethnic Minorities

Year	Number of Documents and Main Contents
2017	Decision No. 582/QĐ-TTg dated 28/4/2017 on approving the list of especially difficult hamlet, commune under III area, II area and I area of ethnic minority and mountainous areas in the period of 2016 - 2020
2016	Decision No. 2086/TTR-UBDT dated 31/10/2016 on Approval of the Special policy to support socio-economic development in ethnic minority and mountainous areas in the period of 2017 - 2020
2016	Decision 2085/QĐ-TTg dated 31/06/2016 on Approval the Special policy to support socio-economic development in ethnic minority and mountainous areas in the period of 2017 – 2020
2016	Decision No. 12/2016/QĐ-TTg dated 11/03/2016 (On the continued implementation of Decision No 30/2012/QĐ-TTg dated 18/07/2012 on the criteria for determining particularly difficult villages,

Year	Number of Documents and Main Contents
	communes in ethnic minority and mountainous area in 2012-2015) and Decision No 1049/QD-TTg dated 26/06/2014 (Promulgating list of administrative units in disadvantaged areas)
2015	Decision No. 1557/QD-TTg dated 10/09/2015 of the Prime Minister on the approval of a number of indicators for the Millennium Development Goals for ethnic minority associated with sustainable development goals after 2015.
2014	Decision No. 456/QD-CEM dated 07/11/2014 on the issuance of the implementation plan to raise the effectiveness and efficiency of the State management of ethnic minority affairs.
2014	Directive No.28/CT-TTg dated 10/08/2014 on improving the effectiveness and efficiency of the State management of ethnic minority affairs.
2013	Joint Circular No. 05/2013-TTLT-UBDT-NNPTNT-KHDT-TC-XD dated 18/11/2013 guiding the supported program 135 on investment in infrastructure, economic development for extremely difficult communes, borderline communes, social security area, and extremely difficult village and hamlets...
2013	Decision No. 2214/QD-TTg dated 14/11/2013 of the Prime Minister, approving the scheme for Enhancing international cooperation to support the socio-economic development of Ethnic Minorities.
2013	Decision No. 56/2013/QD-TTg dated 07/10/2013 on the amendment and supplement of some provisions of Decision No 18/2011/QD-TTg dated 18/03/2011 of the Prime Minister on the policy for prestigious people in ethnic minorities.
2013	Decision No. 29/2013/QD-TTg of the Prime Minister, dated 09/06/2008 on a number of policies to support resettlement land, cultivated land and jobs for ethnic minorities and difficult households in the Mekong delta region.
2013	Decision No. 551/QD-TTg dated 04/04/2013 of the Prime Minister, approving the program supported 135 investment in infrastructure, support for production supported program 135 on investment in infrastructure, production development for extremely difficult communes, borderline communes, social security area, and extremely difficult village and hamlets.
2012	Circular No.02/2013/TT-UBDT dated 04/12/2012 guiding the implementation of some articles of Decision No. 54/2012/QD-TTg dated 04/12/2012 of the Prime Minister promulgating the loan policy for economic development for ethnic minority households with special difficulties
2012	Decision No. 42/2012/QD-TTg dated 08/10/2012 of the Prime Minister Regarding Support for organizations and units utilizing employees that are ethnic minority people in mountainous and special difficult areas
2012	Joint Circular No. 01/2012 / TTLT-BTP-CEM date on January 17, 1012 of the Ministry of Justice and the Committee for Ethnic Minorities on guidelines and legal assistance for ethnic minorities.

2.2 IFAD's Social, Environmental and Climate Assessment Procedures (SECAP)

Under CRWIS, the following IFAD' Standards are applied:

- Standard 1: Biodiversity conservation
- Standard 2: Resource efficiency and pollution prevention
- Standard 4: Indigenous peoples
- Standard 5: Labour and working conditions
- Standard 6: Community health and safety
- Standard 7: Physical and economic resettlement
- Standard 9: Climate change.

The Standard 4 (Indigenous peoples), in particular, recognizes the "Indigenous Peoples" as follows:

- Priority in time, with respect to occupation and use of a specific territory;
- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;

- Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
- An experience of subjugation, marginalization, dispossession, exclusion or discrimination.

Under CRWIS, the following ten principles apply:

1. Cultural heritage and identity. IFAD will assist communities in taking full advantage of their traditional knowledge, culture, governance systems and natural resources, all of which form part of their tangible and intangible heritage.
2. Free, prior and informed consent. In working with Member States on projects targeting or affecting ethnic minority peoples, IFAD shall support the participation of ethnic minority peoples' communities in determining priorities and strategies for their own development. IFAD shall consider this consultation and consent as a criterion for project approval.
3. Community-driven development. IFAD will follow and enhance community driven development approaches that are well suited to the holistic perspectives of ethnic minority peoples.
4. Land and resources. IFAD will promote equitable access to land and territories by ethnic minority peoples and enhance their tenure security, by strengthening their capacity to manage their territories and resources in a sustainable way.
5. Ethnic minority peoples' knowledge. IFAD will value ethnic minority peoples' knowledge and practices in investment projects. We will also build on these assets by supporting research that blends traditional knowledge and practices with modern scientific approaches.
6. Environmental issues and climate change. IFAD will support ethnic minority peoples in enhancing the resilience of the ecosystems in which they live and in developing innovative adaptation measures.
7. Access to markets. Ethnic minority peoples' societies have begun to join the market economy, which brings both opportunities and challenges. IFAD will explore these opportunities and enable ethnic minority peoples' communities to engage in markets on more profitable terms.
8. Empowerment. Empowerment is essential for poor and marginalized populations to improve their livelihoods in a sustainable way. IFAD will support the empowerment of ethnic minority peoples by providing resources for capacity- building so they can secure and manage their resources and lead their own development processes.
9. Gender equality. Ethnic minority women often experience triple discrimination – as women, as members of ethnic minority peoples' communities and as women within those communities. In continuing to incorporate a gender focus in our programmes, IFAD will make a special commitment to improve the well-being of ethnic minority women.
10. Food sovereignty, food security and nutrition. Lack of recognition and protection of Indigenous Peoples' rights to land, territories and resources is the single most important factor negatively affecting their food and nutrition security and the realization of their right to food and food sovereignty.

In addition to applying the above ten principles, the project will strengthen the support to ethnic minorities by mainstreaming priority areas, featuring a new principle of engagement on food sovereignty and nutrition security. This aim to underscore IFAD's core vision of pro-poor and inclusive rural transformation which recognizes the importance of integrating food security and nutrition concerns into poverty reduction efforts.

3. SOCIOECONOMIC PROFILES OF INDIGENOUS PEOPLES IN PROJECT AREA

3.1 Demographic overview

Chau Khe commune is selected as project commune. Chau Khe is among 13 communes of Con Cuong district, Nghe An province. The commune is located 16 km for the center of Con Cuong district and bordered with Laos PDR over a length of 23.5 km. Chau Khe commune has a natural land area of 44,058 ha. It has 19 villages with a total population of 6,669 people (1,534 households), according to 2022 population census. Chau Khe commune is home to three ethnic minority groups, including Thái (678 households), Thổ (375 households), and Khơ Mú (79 households). These ethnic minority group account for 73.8% of the commune population.

3.2 Key ethnic characteristics of the EM people in project commune

- Thai people.

The Thai people, in general, who live in various parts of northern Vietnam, has a lot of experience in irrigating terraced rice fields which has been passed down from generation to generation. Rice is their stable food. The Thai people from Châu Khê commune belong to Hoàng Tổng subgroup, The Thai in Chau Khe, however, has longer adopted terraced farming because of change in land use. The current rice varieties that the Thai people in Bai Gao village currently use include TBR 225; TBR 89; Sông Lam 9; Hương Thuận 8; Thiên Ưu 8 with the crop duration lasting from 3.5 to 4 months. Other important food which they may occasionally collect from the wild include vegetable, fish, shrimp, crab, and so forth. Most of Thai family are skillful with handicraft (fabric and weaving). They also have a wide range of cultural activities such as games, dancing, drumming, singing, Cồng chiêng (Gong, a percussion instrument)¹.

The main source of livelihoods for the Thai people in Village Bãi Gạo is rice cultivation, followed by forestry and animal husbandry. They are also well known for their handicraft products (fabric) which are sold to the Thai in other neighboring communes. There is a tourism spots in this village. There are more migrant workers in Village 29 compared to Village Bãi Gạo. The Thai from both villages share the same forestry activity: acacia and bamboo planting. Both villages are growing a herbal plant known in Vietnamese as Cà gai leo (*Solanum procumbens* Lour). This herbal plant been used in Vietnamese folk remedies for the treatment of diseases such as rheumatism, back pain, detoxification, cough, pain relief, hemostasis, hepatitis, and cirrhosis².

- Khơ Mú people.

The language of the Khơ Mú is of South-Asia language family. The Khơ Mú does not have their own written language but they have a strong influence from the language of the Thai people. Most Khơ Mú is fluent in Thai language and use Thai language for day-to-day communication with other ethnic groups. The religion of Khơ Mú is animism. They believe that everything around them has a soul and they worship banyan trees, rocks, big trees, streams. The Khơ Mú maintain altar to worship their ancestors at household level. There is also similar ritual at village level.

¹ <https://bdt.nghean.gov.vn/cac-dan-toc-thieu-so-tinh-nghe-an/dan-toc-thai-431700>

² Vo VC. 2004. Dictionary of common plants. Hanoi: Science and Technics Publishing House.

The Khơ Mu people has a long tradition of swidden agriculture and self-sufficiency. Trading has not been yet developed. Terraced farming is the main farming activities of the Khơ Mu people. The Khơ Mu live mainly in three villages of Bản Nà, Châu Định and Châu Sơn. Although the Khơ Mu people are not living in the two select project villages (Village 29 and Village Bãi Gạo), they are potentially direct or indirect project beneficiaries – through agricultural extension activities and value chain support that the project will promote.

- Thổ people.

The Thổ people is among 54 ethnic minority groups in Vietnam. In addition to “Thổ”, this group is also known as Đan Lai, Kẹo, Mọn, Cuối, Họ, , Ly Hà, Tày Pọng, Con Kha, Xá Lá Vàng, and so forth. The Thổ people has their own verbal language, but they use Thai language is their daily spoken language and a strong cultural influence from the culture of the Thai people due to geographical proximity and interaction with the Thai.

3.3 Livelihoods

The total production land in Chau Khe commune is 292 ha (including perennial cropland and annual cropland plan). Average yield of grain product is 4.4 ton/ha. Forest land is 43,277 ha and residential land is 42 ha. Most people in the commune (1,310 households, 85.3%) do farming as main income activities. Although farming is the main income generation activities of most commune people, most households are generally poor. 33% (509 households) in Chau Khe are classified as poor households (by national standard), 14.99% as near-poor households. This makes the commune the second highest in terms of the number of poor households in the district.

The project will target the two poorest villages (out of total 19 villages) of Chau Khe commune: Village 29 and Village Bãi Gạo. In these two villages: Village Bãi Gạo is home to 101 Thai ethnic minority households. The Thai EM people practices irrigated rice production using the same farming techniques that the mainstream group (Kinh group) use. The Thai people grow two rice crop, and one maize crop each year.

No.	Crops	Production area (ha)	No.	Animal	Number
1	Rice	180	1	Buffalo & cow	2,520
2	Maize	128	2	Pig	3,389
3	Vegetable	54	3	Poultry	38,496
4	Casava	50	4	Goat	423
5	Peanut	24			
	Sweet				
6	potato	19			
7	Bean	9			
8	Sesame	3			
9	Ca gai leo	4			

The revised 2013 Land Law³ specifies that Land Use Rights Certificate (LURCs) should indicate the names of both husband and wife. During the consultation with the Thai people in Village 29, it is indicated the Thai households have names of both husband and wife in LURC.

³ Land Law No. 45/2013/QH13 dated 29/11/2013 of the National Assembly

3.4 Gender

Consultation with the Thai people in Chau Khe commune suggested that there seems to be no major differences in terms of labor division between men and women among Thai families. In agricultural production, both male and female of in the family appears to share all the daily works: including crop production and animal husbandry. During the consultation meetings, participants indicate that women and men in the Thai community are equal right to decision making regarding household matters and income generation/livelihoods. It is noted that Thai men are often engaged in temporary income generation activities outside the commune. They are involved in casual and construction works to earn extra income for their family. During the absence of husband, women have more opportunity to participate in technical assistance programs, trainings and community meetings.

Farm works	Only women	Mostly women	Mostly equal	Mostly men	Only men	Notes
<i>CULTIVATION</i>						
Prepare land			✓			By tractor
Buy seeds, fertilizers, pesticides			✓			
Daily crop care		✓				
Hire additional labor			✓			
Irrigate			✓			
Spray pesticides			✓			
Apply fertilizers			✓			Mostly manure
Harvest			✓			By harvester
Decide selling prices			✓			Mainly for home use
Attend trainings	✓					
<i>ANIMAL HUSBANDRY</i>						
Select/buy varieties			✓			
Buy feed			✓			
Daily care (e.g. feeding, bathing)			✓			
Choose veterinary services			✓			
Decide selling prices			✓			Market prices
Attend training			✓			

4. ENVIRONMENTAL & SOCIAL RISKS, IMPACTS, MITIGATION, ENHANCEMENT

5.1 Environmental & Social Risks, Impacts, and Mitigation Measures

Under the project, it is anticipated that the Thai ethnic minority people from the above two villages will be supported to have:

- Reliable access to improved irrigation water (OUTPUT 1.1);
- Improved capacity for inclusive irrigation water management (OUTPUT 2.1); and
- Improved productivity and resilience thanks to improved climate smart agricultural (CSA) knowledge (Output 3.1).

Based on the above potential project investment, by this stage, the following environmental and social risks and impacts are anticipated, and summarized in Table 1 (below). It is noted that during the first year of project implementation, these preliminarily identified risks and impacts will be confirmed and updated based on the availability of the detailed engineering design and consultation with the local Thai people. Consultation with Thai people in village Bai Gao will be carried out in accordance with FPIC Implementation Plan, as summarized below:

- During first year of subproject implementation: discuss and update this EMP based on guidelines from the FPIC implementation plan;
- Conduct the FPIC process and document consent agreement;
- Ensure FPIC process is developed by government and technical support is provided to local government and PMU Nghe An;
- At mid-term review, the level of implementation of the agreements reached during the FPIC process will be reviewed and action will be taken as necessary (See FPIC Implementation Plan for detail).

These environmental and social risks and impacts, and mitigation measures, will be updated once the scope and scale of above investment activities are confirmed by PMU Nghe An in the first year of project implementation.

Table 2 – Typical Environmental & Social Risks and Impacts, and Proposed Mitigation Measures

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
Environmental Risk & Impact Management						
1.1 Noise, dust, vibration	<ul style="list-style-type: none"> Noise, dust, and vibration are generated during construction operation for rehabilitation of existing canals, or construction of new, extended canal sections, access roads, on-dike roads, water pump housing, etc. 	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	<ul style="list-style-type: none"> Direct impacts (mostly at construction site, road), localized, daytime 	<ul style="list-style-type: none"> Use noise-control and abatement methods Minimize project transportation through community areas where possible Ensure proper maintenance and operation of construction machinery to minimize noise generation Use of vehicles and equipment that are registered and have necessary permits. Truck drivers and equipment operators shall avoid use of horns in populated areas and other sensitive receptors such as schools, community health centres, temples, etc. Speed limits on construction vehicles to minimize generation of noise and dust Appropriate spraying of water during construction of access roads Machinery and vehicles causing excessive pollution (e.g., visible smoke) should not be used for construction operations. Trucks transporting construction materials (sand, soil, cement, gravel, etc.) should be tightly covered to avoid spills and dust emission. 	Standard 2	PCU, PCU's construction supervision consultant
1.2 Wastes	<p><u>Domestic Waste</u> Solid waste generated during construction of above civil works include:</p> <ul style="list-style-type: none"> <u>Domestic wastes</u> due to workers' presence at construction site/ worker camp, and b) waste generated from construction process (old materials, unused materials, debris...); <u>Garbage littered on roadsides</u> and in the community during 	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	Direct risks, localized at construction sites /worker camps	<p><i>For contractor's workers</i></p> <ul style="list-style-type: none"> Implement solid waste management as part of site-specific Environmental and Social Management Plan. Clean up the area every time after installation, repairing and replacement works. Prohibit disposal of solid wastes into canals, rivers, other watercourses, agricultural fields and public areas. All solid waste will be regularly collected and removed from the work camps and disposed to areas approved by local authorities. Contractor to reuse materials whenever feasible to reduce 	Standard 2	PCU, Contractors/ During construction

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
	trainings, meetings, data collection, and field survey; <ul style="list-style-type: none"> • <u>Solid waste</u> generated during operation of office facilities. 			waste <ul style="list-style-type: none"> • Burning of construction and domestic wastes shall be prohibited • Ensure that wastes are not haphazardly dumped within the project site and adjacent areas. • Land used for campsites shall be restored to the original condition as far as practicable 		
	<i>Hazardous Waste</i>	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders		For hazardous waste generated from construction operation <ul style="list-style-type: none"> • Develop procedures for the safe collection, storage, transport, and disposal of project hazardous waste at licensing/permitting site. • Never dispose spent oil on the ground and in water courses as it can contaminate soil and groundwater (including drinking water supplies). • Have a diluted wash wastewater disposal ground tank with internal water proofing layer to protect leakage. • Store fuel and hazardous substances and wastes on bunded paved area with roof and interceptor traps so that accidental spills do not contaminate the environment. If spills or leaks do occur, undertake immediate clean up. • Train relevant construction personnel in handling of fuels and other hazardous substances as well as spill control and clean-up procedures. • Ensure availability of spill clean-up materials (i.e. absorbent pads, etc.) specifically designed for petroleum products and other hazardous substances where such materials are being stored. • Segregate hazardous wastes (oily wastes, used batteries, fuel drums) and ensure that storage, transport and disposal shall not cause pollution and shall be undertaken consistent with national and local regulations. • Store waste oil, lubricant and other hazardous materials and wastes in tightly sealed containers to avoid contamination of 		PCU, Contractors/ During construction

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
				<p>soil and water resources.</p> <ul style="list-style-type: none"> • Ensure all storage containers of hazardous substances and wastes are in good condition with proper labelling. <p>For hazardous waste in agricultural production</p> <ul style="list-style-type: none"> • Crop residue: straw and stub should be collected for use as animal feed or for other purpose such as for mushroom growing, or for sale, or reuse for other farming purpose (e.g. incorporating into soil to improve soil fertility) • Empty pesticide containers: collected and kept appropriately as per recommendation in IPM good practices. Never through and leave empty pesticide contain in the field which may contaminate soil and surface water which may affect aquatic animal and even human. 		
	<i>Non-hazardous Waste</i>	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders		<p>For non-hazardous waste</p> <ul style="list-style-type: none"> • Reduce, recycle, and reuse waste [e.g. plastic wastes, electronic waste, agricultural waste (natural, animal faeces for later use as manure, plant waste)] wherever and whenever possible. • Latrines must be built at construction site and camp site for appropriate domestic waste management. <p>For dredging materials</p> <ul style="list-style-type: none"> • Use or reuse the dredge material (from canals) on properties with a residential or recreational use • Prepare short-term placement of dredge material during off-loading or re-handling activities. The quantity of dredge material to be stored at the site must not exceed the quantity of material that can reasonably be managed at the site during the construction periods • Dewatering the dredge material prior to reuse of the materials • Manage dredge material in a manner so as to minimize the amount of material returned by spillage, erosion or other discharge to waters during transportation activities <p>For non-hazardous waste</p>	Standard 2	PCU, Contractors/ During construction

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
				<ul style="list-style-type: none"> Reduce, recycle, and reuse waste [e.g. plastic wastes, electronic waste, agricultural waste (natural, animal faeces for later use as manure, plant waste)] wherever and whenever possible. Latrines must be built at construction site and camp site for appropriate domestic waste management. 		
1.3 Soil pollution	Leakage/ discharge of oil, used oil, chemical and other substance during maintenance and operation of machineries used for civil works	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	Direct risks, localized at construction sites /worker camps	<p>During construction of civil works</p> <ul style="list-style-type: none"> Schedule construction activities during the dry season as much as possible. Store fuels, oils, and chemicals safely in areas on an impermeable surface with proper containment berms. Spillage of oil and chemical must be handled immediately to prevent infiltration. Cover all restored areas with topsoil and re-vegetate (plant grass, fast-growing plants/trees) construction areas quickly once work is completed. 	Standard 2	PCU, Contractors/ During construction
1.4 Occupational health and safety (OHS)	<p>Risks associated with project workers, including a) PCU staff at provincial, district and commune levels</p> <p>Key risks include:</p> <ul style="list-style-type: none"> Physical Hazards (accidents due to fall, falling objects, injury due to improper use of tools/heavy equipment) Personal Protective Equipment (due to lack/limited of access to proper PPE (e.g. protective clothes, gloves, shoes), or improper use. Working Time: Late working in the afternoon, or evening may increase the risk of accident due 	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	<ul style="list-style-type: none"> Direct risks, mostly associated with contractors' workers, including PMU staff 	<ul style="list-style-type: none"> Ensure OHS training are provided to PCU members, and workers hired by PCU (workers of main contractor and subcontractors) Repeat training as needed. Maintain regular supervision (to be done by PCU's Construction Supervision Consultant). 	Standard 6	PCU/ Contractor's workers

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
	to fatigue or limited observation					
1.5 Unexploded ordinance (UXO)	Exposure to an unexploded ordinance (UXO) risk, especially, for activities associated with the earthwork.	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	<ul style="list-style-type: none"> • Direct risks, in area where excavation/earthworks are likely 	<ul style="list-style-type: none"> • Conduct consultation with local people and authority to screen for risk of UXO presence in the construction area before physical construction is allowed 	Standard 5 Standard 6	PCU, Contractor, local authorities/ Before any physical construction
1.6 Natural disasters risks (e.g. flash flood/landslide/drought conditions)	Risks of natural disasters (e.g. flash flood, drought, saline intrusion, coastal and river erosion in vulnerable coastal areas)		<ul style="list-style-type: none"> • Direct/ indirect risk in areas historically prone to natural disasters • Contextual risk 	<ul style="list-style-type: none"> • Consultation with local people and authority on history of natural disaster and any potential for risk such as flash flood and erosion/land slide). • The Project will employ a disaster risk reduction (DRR) strategy to reinforce resilience against extreme climatic events among beneficiary communities. • Integrate climate resilient into the project design. 	Cross-cutting	PCU, DARD, local authorities, local communities
1.7 Damage to historical/ cultural items/ site	Historical or cultural items could be uncovered during earthworks/excavation	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	<ul style="list-style-type: none"> • Direct risk 	<ul style="list-style-type: none"> • Implement "Chance Finds Procedure" as part of ESCMF 	Standard 3	PCU, DARD, local authorities, local communities
1.8 Farming ecosystem ⁴	Increased use of agricultural chemicals may cause adverse impacts on non-target fauna and flora off-field due to runoff from rice field. Also, increased density of crops may crowd out the habitat that typically exist in less intensively used farmland. Increased use of chemical fertilizers may potentially affect spiders, frogs, snakes, rodents, and other animals that interact with animals	OUTPUT 3.1 – Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge	Field-wide and long-term impact	<ul style="list-style-type: none"> • Integrated Pest Management and Integrated Crop Management will be adopted for each command area that benefit from more reliable irrigation access from the project. • Pest Management Plan 	Standard 1	PCU, DARD, local authorities, local communities

⁴ Biodiversity assessment in rice/crop production does not only refer to the paddy field, but also to the landscape environment where paddy field is a part of.

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
	in the rice field. Certain pesticides can lead to a decline in beneficial pest predators . In due course of time, they get accumulated in plant parts, water, soil, air and biota					
1.9 Impacts on health of human and environment (due to improper use of chemical agricultural input)	Improper use of agricultural inputs (e.g. pesticides, chemical fertilizers...) which result in pesticide residual, food contamination, pollution of surface water and soil contamination or downgrade in soil fertility after long-time use.	OUTPUT 3.1 – Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge	Long-term and impact mitigation depends upon the effectiveness of mitigation measures under (Farming Ecosystem)	<ul style="list-style-type: none"> • Apply Negative List (as part of ESCMF) • Apply List of Do and Don't Practices • Depending on the type of crops and crop variety, target farmers will be trained by local extension service to use agricultural inputs appropriately – as recommended in provincial agricultural extension program, including Integrated Pest Management/Integrated Crop Management • Attend training on GAP based on the production activities of beneficiary households (e.g. cultivation, animal husbandry). 	Standard 1	PCU, DARD, target farmers/ during subproject operation
1.10 Dam safety	There is a risk of reservoir break that may cause flooding to the downstream		Indirect risk, associated with relevant dam/ reservoir as associated facilities	<ul style="list-style-type: none"> • Adopt recommendations from dam safety report and Emergency Preparedness Plan that may have been prepared for relevant subprojects 	Standard 6	
1.11 Greenhouse gas emissions	<ul style="list-style-type: none"> • Increased irrigated agricultural production contributed to GHG emission 	OUTPUT 3.1 – Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge	Farm-wide	<ul style="list-style-type: none"> • Promote use of Alternative Wet Dry (AWD) 	Standard 9	
Social Risk and Impact Management						
1.12 Minor land acquisition/ impacts on assets on affected land	Rehabilitation of irrigation canals, access roads, on-dike roads, expansion of existing canals, may require small scale land acquisition	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	Direct impact (small scale, localized at command area, linear for canal,	<ul style="list-style-type: none"> • Apply Negative List (ESCMF) • Prepare and implement A-RP when for compensation payment and livelihood restoration support 	Standard 7	PCU, DONRE, DARD, affected people/ Before construction

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
			access road, on-dike road, before construction			
1.13 Community Health and Safety (CHS)	<p>Risks associated with community members</p> <ul style="list-style-type: none"> Traffic Safety. Construction activities (uneven road, material stockpile, earthwork, open holes...) may cause traffic accident for people passing by, particularly road rehabilitation. Contracting/spreading of communicable disease. Close and daily interaction among workers and between workers and community members (eating/buying things in local shops) may increase risks of communicable diseases. 	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	Direct impact, more associated to people interacting with project activities (e.g. at construction sites)	<ul style="list-style-type: none"> Public awareness campaigns for community members Train vulnerable/disadvantaged group in first meeting. Repeat as needed in subsequent meeting (post-training evaluation). 	Standard 6	PCU, DONRE, DARD, community members/ during construction
1.14 SEA/SH	<p>Risk associated with labor influx, and include also the local:</p> <ol style="list-style-type: none"> Female project workers, including a) PCU staff, b) local workers, and c) community workers Female community members who are beneficiaries 	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	Induced risk (mostly associated with labor influx (at construction site, camp site, nearby residential areas)	<p>Mitigation measures for SEA/SH include the following key aspects:</p> <ul style="list-style-type: none"> Raise awareness for risk groups (in public meetings/ events...), including male members. Conduct training for risk groups, particularly female community members and female members of vulnerable/disadvantaged groups. Explicitly state zero tolerance for sexual harassment, exploitation, and abuse within the workplace. Require CoC to be signed by all construction workers. Project workers to peruse and sign Worker's Code of Conduct for SEA/SH (See ESCMF) Children prohibited from construction site and worker's camp. Grievance Redress Procedure is disclosed to risk group, 	Standard 6	PCU, Contractor's workers, local authorities, community members / During construction

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
				<p>particularly female community members and female members of vulnerable/ disadvantaged groups.</p> <ul style="list-style-type: none"> Engage Women's Union (WU) at commune level to assist in resolution if the incidence occurs. PCU's reporting of the cases and maintains regular monitoring, and take actions as needed. 		
1.15 Social Conflicts	Between influx of labor and local people	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	<ul style="list-style-type: none"> Induced risk, local 	<ul style="list-style-type: none"> Inform local officials and affected residents, regularly and in advance, of the location and schedule of construction activities which may cause impacts on the environment and life of people. Ensure construction camps are located at least 500 m away from communities to avoid social conflict in using resources and basic amenities such as water supply and to avoid close contact between workers and the community (in particular children). Ensure all workers engaged by contractors (both main and subcontractors) read and sign Worker's Conduct of Conduct (See ESCMF3). Maximize number of local people employed in construction and non-construction jobs and provide on the job skills training for local people employed. Maximize goods and services sourced from local commercial enterprises. Ongoing consultations and awareness raising of local communities and raising awareness in each community on GRM. 	Standard 5 Standard 6	
1.16 Child labor and forced labor	Both risks are identified, and potentially associated with young labor at village.	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	Induced risk, local	<p>Key mitigation measure include:</p> <ul style="list-style-type: none"> Minimum age requirement is 18 years of age for all project workers, including contracted workers engaged. Procedure for age verification (prior to job offer) and how to handle the cases if found while on board (See ESCMF) 	Standard 5	PCU, Contractor's workers, local authorities, community members / Before signing contract with

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
						potential workers
1.17 Exclusion of vulnerable/ disadvantaged individuals/ groups	<p>Please see Definitions of vulnerable/ disadvantaged individuals/ groups in Definitions Section</p> <p>People from these groups may not participate in project meetings and events because of the following reasons: (i) lack of confidence; (ii) being excluded /not being respected by other members of the groups/ being discouraged from joining the discussion by other members; (iii) lack of labor within the family and poor house conditions; (iv) lack agriculture land; and (v) lack motivation to work and/or participate in development project.</p>	OUTPUT 3.1 – Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge	Direct risk, site-specific	<p>Key mitigation measure include:</p> <ul style="list-style-type: none"> • Identity these groups for each project commune/village • Engage the groups in project's relevant consultation meetings using communication methods prepared for vulnerable groups • Incorporate feedback from these groups consultation meetings prior to project implementation/selection of investment activities and ensure they could participate and receive project benefits. • Maintain regular contacts with the groups during project design and during implementation activities, particularly activities that involve adoption of knowledge and practices recommended under the project • SEP has included special consultation measures which address the need of specific different groups (Ethnic Minority, people with disability, women, elderlies, children and disadvantaged groups). • In term of local traditional knowledge: where ethnic minorities can share their knowledge, opportunities will be taken to blend the indigenous knowledge with other modern, technical knowledge. Opinion leaders and knowledgeable Thai people will be included as part of training team in rice farming, agricultural production using Farmer Field School approach. 		PCU, local authorities, community members/ During subproject planning and implementation
1.18 Cultural Awareness for Ethnic Minority (EM)	Lack of cultural understanding, particularly social norms and farming practices of EM may result in a) miscommunication, b) reduced communication effectiveness, c) slow or non-adoption of proposed knowledge and/or new farming practices.	<p>OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders</p> <p>OUTPUT 2.1 – Improved capacity of water user groups for inclusive irrigation</p>	Direct risk, site-specific	<p>Mitigation measures include steps that could be followed by project workers, particularly those who have frequent interaction and work with target group in project villages.</p> <ul style="list-style-type: none"> • Step 1 – Get to know about EM • Step 2 – Prepare before fielding for consultation • Step 3 – Meeting with target EM group/individuals • Step 4 – Review and Process Consultation Feedback • Step 5 – Incorporate consultation feedback and local traditional knowledge into investment design 	Standard 4	PCU, Contractor's workers/ During subproject planning and implementation

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
		water management OUTPUT 3.1 – Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge		(See also Annex 1 – Facilitator's Guide for Conducting Consultation with Ethnic Minority Peoples)		
1.19 Gender stereotype	<ul style="list-style-type: none"> • Women is in charge of household chore and are involved in agricultural production (like men) and even more in case their husband work as migrant workers. • Women are more open to information, opinions and engagement but women's views are often not taken seriously by the men. • Women's groups discussions revealed that although women are encouraged to join meetings and take decisions, their decisions are sometimes disregarded and have been asked to be dropped by their male partners/authorities • Women asked whether the project can ask more men to engage in gender equality / women's / men's roles in household training. 	<p>OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders</p> <p>OUTPUT 2.1 – Improved capacity of water user groups for inclusive irrigation water management</p> <p>OUTPUT 3.1 – Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge</p>	Contextual risk with confounding effect to some activities (e.g. under Output 2.1 and 2.2)	<ul style="list-style-type: none"> • Project include gender training and women-in decision making position in its implementation designs, this will include awareness raised on culture norms, unconscious-biases, expectations, and gender stereotypes • Public Awareness Raising (part of Community Planning Meeting) • Public awareness repeated through regular activities of WU • Awareness raising to members of Self-Help Groups • Village women requested that men should also be targeted for gender related trainings. • Implementation of Gender Action Plan. 		<p>PCU</p> <p>During subproject planning and implementation</p>

Type of E&S Risks and Impacts	Description of E&S Risks and Impacts	Project output/ activities	Nature & Scale	Proposed Mitigation Measure	IFAD's Standards	Responsibility / Project Stage
1.20 Water use conflict between upstream and Downstream within the same command area	<ul style="list-style-type: none"> Lack of consultation among water users prior to irrigation rehabilitation may cause risks of water use conflict following rehabilitation due to change in water access 	<p>OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders</p> <p>OUTPUT 2.1 – Improved capacity of water user groups for inclusive irrigation water management</p>	<ul style="list-style-type: none"> Indirect risk, site-specific, operational stage 	<ul style="list-style-type: none"> Consultation to be conducted among water user in the command area of the target irrigation system. During subproject design, water availability, storage capacity, and water needs of upstream and downstream population is calculated to inform design, and water use coordination during project operation. Water user groups should be established/reinforced for upstream and downstream users (within the same command area) should be coordinated by a higher-level group (commune, or inter-commune level) to negotiate and optimize water coordination Develop maintenance and operation (O&M) plan to ensure irrigation channel is maintained appropriately (e.g. periodic cleaning/clearing). Guidelines shall be developed to provide guidance for water use coordination between upstream and downstream communities at subproject. Water use coordination shall be based on consensus of entire water use group that benefited the project targeted irrigation scheme. 	Standard 2	<p>PCU, DARD</p> <p>During subproject planning and operation</p>
1.21 Temporary restricted water access during construction	<ul style="list-style-type: none"> 	OUTPUT 1.1 – Improved access to and efficiency of irrigation water for smallholders	<ul style="list-style-type: none"> Direct risk, during construction phase 	<ul style="list-style-type: none"> 		

5.3 Approach to Enhancing Positive Impact of Project

It is important the following aspects be considered and mainstreamed throughout the project implementation to promote project development effectiveness.

- Inclusion. Poor farming households, including poor ethnic groups, may potentially left behind in a way they could not become project beneficiaries in productive partnership, for instance, because of their small farm size, remote geographical location (hardly accessible), limited farming practices, cultural norms, and existing farming practices. Given this, criteria should be developed to provide opportunities for households who meet the criteria of participation into the productive partnership to receive benefit from the project. Criteria should be developed and be part of the Project Implementation Manual to facilitate implementation, monitoring and evaluation. The following aspects are important:
 - *Participation Criteria.* To ensure poor households and ethnic minority who meet minimum participation criteria have opportunity to benefit from the project, considerable weights should be given to criteria checklist to encourage the participation and the chance of success for poor/ethnic minority households who are keen to participate in productive partnerships.
 - *Participation Preparedness.* There may be households who meet all participation criteria but are not qualified in terms of farming experience/technology to meet the technical requirements set out by the productive partnerships. When screening for participation, these households should be encouraged to attend training series - on both technical expertise and business protocol so that they could prepare themselves better. The project should also have such a preparedness plan improve the chance of success for farmers participating in the partnerships.
 - *Consultations.* Meaningful consultations can contribute to improved design, implementation, and sustainability of development interventions. The objectives of consultation with project stakeholders, particularly with project beneficiaries include receiving input for improved decision-making about the design and implementation arrangements of a development project, to contribute to improved results and sustainability. Consultations can potentially give voice to the needs of different target group; and increase transparency, public understanding, and citizen involvement in development decision-making.
 - *Information disclosure.* Open access to information does not automatically lead to participation and impact, which also depend on such context factors as enabling legislation and grassroots activism. Information formats and activities need to be part of the design of citizen engagement processes and be based on an understanding of the target audience. Project information will be posted at community centers as well as disseminated through community meetings to ensure farming households who are potential beneficiaries of the project could study and participate as they wish. IFAD will ensure people in the project area have access to project's information to determine how they participate in the project activities.
 - *Language.* Ethnic minority groups may be potentially excluded simply because the language used during information sessions, consultation meetings, trainings, project planning sessions are not in the language that they use on a daily basis. Thus, consideration should be given to frequent use of local languages during consultation, meetings, and trainings with the participation of ethnic minority groups.
 - *Sociocultural norms.* Social norms can considerably affect that way men and women participate in training. Social norms contributes to establishing farming practices. Thus, changing a current farming practice mean changing a social norm that is deeply rooted in one's belief system, which may affect farmers' social network that is close to them, such as

their family members, relatives, friends, neighbors, their business partners. Women in Chau Khe commune may spend remarkable amount of time doing house chore and farm works. They are considered appropriate more for the household role. As such, more men (than women) attend an events (meetings, trainings, etc.) outside their home. Under the project, depending on the training topics, women should be encouraged to participate as they apply the knowledge to make a joint decision with their husband.

- *Grievance Redress Mechanisms*. GRMs are increasingly recognized as a means to address complaints early on and manage risks in project preparation and implementation before they escalate providing multiple channels for soliciting complaints; registering complaints in a log; publishing timely and service standards for acknowledgement, response, and resolution; and ensuring transparency about the grievance procedure as well as options for mediation and appeal.
- **Gender Mainstreaming**. Women play an important roles in agricultural production. However, most of the time and effort they made usually go unnoticed. By having women participating more in capacity development activities, particularly in technical trainings, women can improve crop yield, diversify their crops, and as a result, increase their income and family's nutritional status.
- **Irrigation**. Irrigation were traditionally managed by men and women, particularly in rainfed upland. However, irrigation these days are managed men rather than both men and women. According to the International Institute for Asian Studies, in the local traditional schemes, men and women participate, on an equal footing, in planning, construction, use, and maintenance of irrigation schemes. However, as irrigation schemes become formalized with more complex technology and institutionalized according to Western development models, such as Water Users Groups, women become invisible and are left out, in particular in the management and decision-making roles. These models contain gender-biased views on gender roles and the division of labor. Women are considered to be of marginal significance to the functioning of the irrigation scheme because of the perception that their first responsibility is mother and housewife. It is therefore important to study the division of labor in a subproject irrigation scheme before trying to encourage a change in roles that is not demand driven. Promoting participation of women in decision making process should be considered in the context of project activities and how these activities is done to ensure there is a harmony in transition of roles as well as division labor for a particular work, including irrigation management.
- **Agricultural extension approach**. Classical extension model holds the farmers in passive position where they should be responsible for adoption of the introduced technologies which are good for them. This is from of both extension workers' and scientists' perspective. This model indeed overlooks the local context that justify how farmers respond to innovations. From a modern perspective, farmers should be approached as a decision maker – throughout the extension process. This aims to understand their deeply rooted constraints and help them tackle such constraints early on to reinforce farmers understanding of the requirement of the new technologies, and move on to adoption. Training should be repeated with follow-up support provided by either governmental extension workers, extension workers form private sectors, or head of farmers group (for the case of productive partnership), local change agent and opinion leaders - for the case of ethnic minority people. These local peoples are very helpful to supplement to project's extension effort, particularly in the context of limited extension network in project commune. In the case of ethnic minorities as per the IFAD policy of engagement with Indigenous Peoples, the fund will value Indigenous Peoples' knowledge and practices with particular attention to inter-generational transfer of knowledge between elders and youth. It will also build on these assets by supporting Indigenous Peoples' research on the diversity of their resilience systems and capacities to adapt to climate change, thus complementing conventional

science and providing a holistic understanding of the environment, natural resources and culture, and the human interrelation with them.

The model of Five Stages in Innovation-Decision Process by Everett Rogers is highly recommended for by extension workers/skilled facilitators to help farmers analyze socioeconomic constraints, address them, and adopt the introduced technology (Please see Annex 4 for the steps and framework to address socioeconomic constraints).

- Leverage of Local Resources
 - Change agents/Opinion leaders. Traditional leaders can be powerful agents of change in rural areas. According to WB's experience, traditional leaders' approval can give legitimacy to new ideas and approaches, and they face no language or other sociocultural barriers. They can also perpetuate negative aspects of the culture that hinder the rights of women and men, so engaging with them in gender sensitization activities gives a sense of ownership of development programs and increases the likelihood of success. By acting as coaches and mentors for community members, the chiefs and traditional leaders enable positive behavioral changes to take place. It should also be noted that there are cases where change agents could also slow down or even hold up the adoption of an innovation.
- Social Behavior Change Communication (SBCC). SBCC is of utmost importance when it comes to behavior change. To promote adoption of new technology, farm contract - for the case of farmers, and practice of good nutritional practices – for the case of women, communication message needs to be designed and communicated across the traditional communication channels of the target group to promote behavioral changes. Under this project, SBCC will be used for nutritional activities with a view to improving nutritional status among the target population, particularly among children under 5 years of age.

The above aspects for enhancing development effectiveness are summarized in Table 3 below.

Table 3 – Aspects for Enhancing Development Effectiveness

ACTIVITIES	POTENTIAL RISKS AND IMPACTS	MEASURES TO AVOID/ MITIGATE	APPROACH TO ENHANCE DEVELOPMENT EFFECTIVENESS	MEASURES TO ADDRESS GAPS
TARGETING OF BENEFICIARIES				
<ul style="list-style-type: none"> • Demand-driven training activities • Establishment of productive partnership 	<ul style="list-style-type: none"> • The poor, vulnerable, ethnic minorities could be potentially excluded from program benefits due to (geographical limitations, lack of agricultural skills/business skills, lack of land, etc.) 	<ul style="list-style-type: none"> • Use Stakeholder Engagement Plan 	<ul style="list-style-type: none"> • Consultations • Participation Criteria. • Participation Preparedness. • Information disclosure • Use of local EM languages • Gender Mainstreaming • Grievance Redress Mechanisms 	<ul style="list-style-type: none"> • Technical requirements for Consultation, Information Disclosure, Participations, etc. will be developed and mentioned clearly to enhance inclusion methods in Project Implementation Manual. • In case of ethnic minorities, consultation, information disclosure, participation mechanism will be mentioned in this EMP).
GENDER EQUALITY				
<ul style="list-style-type: none"> • Project activities (i.e., consultation, trainings, irrigation construction, etc.) 	<ul style="list-style-type: none"> • Traditional roles of women (childcare, household chores, handicraft, etc.) potentially exclude them from participating project events at public places 	<ul style="list-style-type: none"> • Use Stakeholder Engagement Plan 	<ul style="list-style-type: none"> • Gender Mainstreaming throughout project components to provide women more opportunities to participate in project planning. 	<ul style="list-style-type: none"> • Project' Gender Action Plan. • Could be updated based on site specific consultation with local beneficiaries in areas like irrigation, division of labor, etc.
	<ul style="list-style-type: none"> • Women from ethnic groups could be potentially excluded because of their household roles 		<ul style="list-style-type: none"> • Gender Action Plan • EMP 	<ul style="list-style-type: none"> • Use of local EM languages
EFFECTIVENESS OF INTERVENTION				
<ul style="list-style-type: none"> • Agricultural extension 	<ul style="list-style-type: none"> • Low rate of adoption of technologies introduced under project 		<ul style="list-style-type: none"> • Agricultural extension approach using 5-stage diffusion model (Everett Rogers) • Leverage of Local Resources (Change agents/Opinion leaders, existing social groups/network. 	<ul style="list-style-type: none"> • Take advantage of current extension network already in place. • However, current practice focuses on only training and re-training, without post-training/follow-up support to address constraint of trainees to promote adoption. • Use of Five Stage Model of Innovation

ACTIVITIES	POTENTIAL RISKS AND IMPACTS	MEASURES TO AVOID/ MITIGATE	APPROACH TO ENHANCE DEVELOPMENT EFFECTIVENESS	MEASURES TO ADDRESS GAPS
				Process (See Annex 4 for more) <ul style="list-style-type: none"> Take advantage of local network, such as opinion leaders, ethnic leaders, village headmen, etc. to promote adoption of new agri-knowledge.
<ul style="list-style-type: none"> Rehabilitation of irrigation channels 	<ul style="list-style-type: none"> Potential water conflict (anticipated to be local, minor) 	<ul style="list-style-type: none"> Technical survey (prior to construction) done with full consultation of existing water users. 	<ul style="list-style-type: none"> Consultation with both men and women (household level) Participation of local Women's Union Participation of existing Water Users Group Establishment of Water Users Group for the target command area, if not existed yet. 	
<ul style="list-style-type: none"> Social Behaviour Change Communication activities (SBCC) 	<ul style="list-style-type: none"> No adverse impact anticipated 		<ul style="list-style-type: none"> Adoption of improved nutrition practices introduced through SBCC would be low if follow-up meetings/discussion are not conducted by skill facilitators. Behaviour Change Communication conducted to raise awareness of nutrition and promote behaviour change through SBCC activities 	<ul style="list-style-type: none"> Use of current training materials from IFAD and other projects. Recruitment of SBCC specialist to support in design of communication plan to ensure effective promotion of behaviour change.
RESOURCES				
<ul style="list-style-type: none"> Recruitment of Specialists/ Consultants 	<ul style="list-style-type: none"> Slow recruitment process/ limited experiences could affect quality of technical assistance for project 		<ul style="list-style-type: none"> Recruit high-quality, full-time consultants/ specialists. 	<ul style="list-style-type: none"> <i>Diffusion of Innovation</i> Specialist Social Behaviour Change Communication specialists for agricultural extension and nutrition). Gender specialist Social specialist Environmental specialist Monitoring and evaluation Specialist

5. IMPLEMENTATION ARRANGEMENTS

5.1 Implementation of EMP

PPMU Nghe An (with the support of the Social Officer) is responsible for implementing the overall EMP. During EMP planning and implementation, the Social Officer of PMU will be the lead person for implementation of this EMP – with the support from PPMU Director and from Chau Khe commune People’s Committee and the village head and villagers. If there is any activities that involve FPIC, land acquisition, and other investment activities, the procedures briefly described below apply.

5.2 Procedures for FPIC and Land Acquisition

In case land acquisition is inevitable, land acquisition shall to be carried out in accordance with the guidance from FPIC Implementation Plan, and Resettlement Plan. PPMU will be responsible for implementing procedures set forth in FPIC Implementation Plan, and Resettlement Plan in case temporary and permanent land acquisition cannot be avoided.

5.3 Funding mechanisms

The budget for implementing this EMP, particularly for stakeholder engagement (as per Stakeholder Engagement Plan), meaningful consultation (as per FPIC Implementation Plan), land acquisition (as per Resettlement Plan), is from counterpart funding. Other investment costs related to rehabilitation of the irrigation canals (Output 1.1), improving water management capacity for f water user groups (Output 2.1), and agricultural extension (Output 3.1), are from by IFAD funding allocated under this project.

6. GRIEVANCE REDRESS MECHANISM

A grievance redress mechanism will be established to ensure complaints related to land acquisition could be conveniently lodged by complaints, or complaint’s representative. Complainants can follow the follow steps to lodge a complaints, and to follow the complaint resolution process. It is noted that the complainants has the right to bring the case to the court of law at any step they prefer – as per national law.

First Stage – Commune People’s Committee (CPC):

AHs may submit their complaint – either in written or verbal, to the One Door Unit of the Commune People’s Committee. A member of the One Door Unit will receive the complaints and will notify the WPC leaders of the complaint. The Chairman of the WPC will meet the complainant in person and will solve it within 15 days following the receipt of the complaint.

Second Stage - District People’s Committee (DPC):

After 15 days since the submission of the complaints, if the aggrieved person does not have any response from the One Door Unit of the WPC, or if the aggrieved person is not satisfied with the decision taken on his/her complaint, the AHs may take the case, either in written or verbal, to the Reception Unit of District People’s Committee. The District People’s Committee will have 30 days since the date of receipt of the complaint to resolve the case. The District People’s Committee will register all the complaints submitted and will inform resolution/assessment results. Aggrieved person may elevate the case to the Courts of Law if they wish.

Third Stage – Provincial People's Committee (PPC):

After 30 days, if the aggrieved AHs does not hear from the District PC, or if the AHs is not satisfied with the decision taken on his/her complaint, the AHs may escalate the case, either in writing or verbal, PPC, or lodge an administrative case with the District People's Court for resolution. The PPC will have 45 days to resolve the complaint to the satisfaction of all the concerned. The PPC secretariat is also responsible for registering all complaints that are submitted. Aggrieved person may elevate the case to the Courts of Law if they wish.

Final Stage - Courts of Law:

After 45 days following the submission of the complaint at PPC, if the aggrieved AHs does not hear from the PPC, or if AHs is not satisfied with the decision taken on his/her complaint, AHs may take the case to a Courts of Law for adjudication. Decision by the court will be the final decision.

Decision on solving the complaints must be sent to the aggrieved PAPs and concerned parties, and must be posted at the office of the People's Committee where the complaint is resolved. After 3 days, the decision/result on resolution must be made available at Commune level and after 7 days at the district level.

7. INFORMATION DISCLOSURE & STAKEHOLDER CONSULTATION

7.1 Stakeholder Engagement

Stakeholders Engagement Plan (SEP) is developed for the Project and will be use throughout the life cycle of the project (See SEP for details). The IFAD requires that PMU to engage with project affected people through information disclosure, consultation, and informed participation. Depending on the nature of the project, the consultation and participation of project stakeholders should be done in a way that is proportionate to the risks to and impacts of the project on the affected peoples. The EM people present in Chau Khe commune will be consulted meaningfully during EMP preparation and implementaiton - in a manner that is culturally appropriate to them.

During project design, a focus group discussion has been conducted with the Thai people in Chau Khe commune, Con Cuong district, Nghe An province (see minutes of consultation in Annex 4). As mentioned in Section 1.3 (Purpose of the EMP)

7.2 Information disclosure

The IFAD requires that sufficient information about project's potential risks and impacts be made available to the affected project people - in a form and language that is understandable to project affected people and project's stakeholders, and in an accessible place and in a timely manner, enable affected peoples to provide meaningful feedback for project design and mitigation measures.

7.3 Arrangement for Information Disclosure and Stakeholder Engagement

During project preparation: During project preparation, this EMP will be disclosed locally at Chau Khe commune, and on the website of Nghe An PMU for consultation with potentially affected and interested parties. The EMP will be disclosed in Vietnamese. Feedback and recommendations from consulted stakeholders will be incorporated into the final version of the EMP. The final EMP will be disclosed through the same channels – locally at Chau Khe commune, and on the website of Nghe An PMU.

During project implementation: This EMP will be updated based on the actual investment to be

carried out for the EM people in Chau Khe commune. The updated EMP will be disclosed locally in Vietnamese language.

8. MONITORING AND EVALUATION

8.1 Internal monitoring

The implementation of this EMP will be monitored on a quarterly basis by the Social Officer of Nghe An PMU. The Social Officer of PMU will oversee the EMP implementation at project level and will pay visit to Chau Khe commune. It is noted that the EMP will be implemented in conjunction with the implementation of the project's Stakeholder Engagement Plan.

8.2 External monitoring

Given that this EMP covers only one commune, and most subproject activities are overall positive, internal monitoring (as described above) will be appropriate. External monitoring is not required.

Annex

Annex 1 – Facilitator's Guide for Conducting Consultation with Ethnic Minorities

1. Introduction

This guide provides a brief introduction and first-hand guidance to individuals who are tasked to directly facilitate a meeting with Ethnic Minority, or are involved in a team whose task is to moderate a meeting with an individual or a group of people who are from Ethnic Minorities. By Ethnic Minority, this refers to those who has a mother language other than Vietnamese language.

2. Principles

This guide is grounded on the key principles of IFAD's SECAP.

3. Steps to Engaging a Meaningful Consultation with Ethnic Minorities

- **Step 1 – Get to know about EM**
 - Study about EM to be consulted with
 - Meet with local village chief, EM opinion leaders to learn about local practices, taboos
 - Conduct field observation/ Exchange with experienced colleagues
- **Step 2 – Prepare before fielding for consultation**
 - Prepare IEC materials (booklet, manuals, guidance note...)
 - Prepare meeting outline, key topics, and agenda for consultation, question guide, meeting template
 - Share meeting agenda and key information with EM peoples with whom the meeting will be conducted (“prior, and “informed”)⁵

⁵ “Free” implies no coercion, intimidation or manipulation. “Prior” implies that consent has been sought sufficiently in advance of any decision point or commencement of activities and respect is shown to time requirements of indigenous consultation/consensus processes. “Informed” implies that information provided covers (at least) the following aspects: The nature, size, pace, duration, reversibility and scope of the proposed project/activity, The rationale or purpose of the

- Make interpretation arrangement
 - Step 3 – Meeting with target EM group/individuals
 - Build rapport
 - Conduct consultation (based on meeting agenda in Step 2)
 - Manage and maintain a “free” conversation.
 - Take notes
 - Share/validate key consultation results with participants by the end of meeting
 - Inform participants of possible next consultation to follow up on issues raised
 - Step 4 – Review and Process Consultation Feedback
 - Peruse and process consultation feedback
 - Prepare meeting minutes/ documentation
 - Share meeting minutes with relevant stakeholder (e.g. management)
 - Step 5 – Incorporate consultation feedback into project design/implementation
 - Conduct meeting with relevant stakeholder to discuss consultation feedback
 - Incorporate feedback into project design/implementation
 - Report back to consulted people on decision/progress made as to concerns, issues, expectation raised by consultation participants.
4. Commonly used consultation techniques that would need to be agreed with the community so that selected techniques are culturally appropriate
- Public Meetings:
 - Group meetings can be a good venue to introduce the project activities, project benefits, opportunities, as well as potential E&S impacts.
 - Community meetings may be co-chaired by local authorities and project representatives, such as staff from provincial PMU and village volunteers.
 - Participants can include community members at large, target beneficiary groups, agricultural staff, authorities, , etc.
 - Focus Group Discussion:
 - A focus group discussion (FGD) is a way to gather together people from similar backgrounds or experiences to discuss a specific topic of interest.
 - The group of participants (8-10 persons) is guided by a moderator (facilitator) who introduces topics for discussion and helps the group to participate in a lively and natural discussion amongst themselves.
 - Allow participants to agree or disagree with each other to obtain an insight into how a group thinks about an issue, about the range of opinion and ideas, and the inconsistencies and variation that exists in a particular community in terms of beliefs, experiences and practices.
 - Participants for FGD may include project’s target groups such as farmers), local agricultural staff, village workers, and so forth.
 - Key Informant Interview (KII):
 - To get information about a pressing issue or problem in the community from a limited number of well-connected and informed community experts.
 - To understand the motivation and beliefs of community residents on a particular issue.

project/activity, The geographical areas that will be affected, A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit-sharing, Personnel likely to be involved in the execution of the proposed project/activity, Procedures that the project or activity may entail.

- To get information from people with diverse backgrounds and opinions and be able to ask in-depth and probing questions.
- To discuss sensitive topics, get respondents' candid discussion of the topic, or to get the depth of information you need.

- **Tips for Facilitators**

Preparing the room

- Arrive at least half an hour early to set up the room
- Check your laptop, papers, pens

Opening the session

- Introduce yourself, your assistant
- Introduce purpose of the focus group.
- Explain to participants that they have been invited to share their opinions and that you will guide the discussion by asking the group to reflect on specific questions.
- Tell them what time the session will conclude.

Explain the ground rules for the focus group discussion

- These will set the tone and expectations for behavior so that everyone will feel safe and willing to participate.
- Participation in the focus group is voluntary.
- It's all right to abstain from discussing specific topics if you are not comfortable.
- All responses are welcome – are no right or wrong answers.
- Please respect the opinions of others even if you don't agree.
- Try to stay on topic; we may need to interrupt so that we can cover all the material.
- Speak as openly as you feel comfortable.
- Avoid revealing very detailed information about your personal health.
- Help protect others' privacy by not discussing details outside the group.

Closing the session

- End the discussion by summarizing the main points. If there is time, invite participants to reflect on the main ideas
- Ask if they have any additional thoughts to share.
- Thank the group for participating; let them know how the discussion results will be used.
- Collect and save all notes (save the file if you type in on laptop)
- Their ideas/suggestion will be used to a) design the project, b) prepare documents that help ensure avoid/minimize the adverse impact on local people while enhancing project's positive impacts.

5. List of Do and Don't Do

- ✓ Show respect to consulted people who are the poor, vulnerable, disadvantaged people
- ✓ Being on time;
- ✓ Speaking slowly and clearly. Repeat as necessary. Check if people understand. Explain as necessary;
- ✓ Using local ethnic spoken language if possible, or through the assistance of native interpreter

- Do not use slang;
- Avoid talking about issues that should not be spoken/discussed (based on initial information gathered from Step 1).

Annex 2 – Sample Outline for Consultation using Focus Group Discussion

FOCUS GROUP DISCUSSION

Name of project	Vietnam – Smallholder Green Agriculture Competitiveness Project
Donor	International Fund for Agricultural Development (IFAD) & Adaption Fund (AF)
Implement agency	Thanh Hoa and Nghe An Provincial PMU

1. PROJECT OVERVIEW

2. PROJECT OBJECTIVES

3. KEY PROJECT ACTIVITIES

4. SPECIFIC ACTIVITIES TO BE CONSULTED

5. PROJECT'S ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

5.1 POSITIVE IMPACT

5.2 ADVERSE IMPACTS AND RISKS

5.2.1 Adverse Social & Environmental Impacts:

5.2.2 Adverse Social and Environment Risks

6. FEEDBACK FROM LOCAL PEOPLE

PROJECT POTENTIAL IMPACT

✓ Positive Impacts (+)

✓ Adverse Risks and Impacts (-)

✓ Any local concerns

DEVELOPMENT NEEDS/ EXPECTATIONS/CONCERNS RELATED TO PROJECT ACTIVITIES?

SUGGESTIONS FOR PROJECT IMPLEMENTATION ARRANGEMENTS

ANY OTHER QUESTIONS, IDEAS, SUGGESTIONS, IF ANY?

Please note to the participants that the project will conduct further focus group discussion and/or public meetings in the future. These meetings aim to inform the local community of the progress of project preparation, with focus on the social and environmental risks and impacts that are updated as the project design evolves for local feedback and suggestions.

NOTE TO FACILITATORS:

When concluding the focus group discussion,

1. Please make a list of people and organizations participating in this FGD discussion, with signature of meeting participants.
2. Prepare a minutes of meeting summarizing the key points of discussion and feedback of participants, following the key topics discussed above, including questions/concerns that may be raised during the meeting.

Original Vietnamese version (English version located below)

BIÊN BẢN HỌP THAM VẤN CỘNG ĐỒNG/ THẢO LUẬN NHÓM

Dự án: *Hạ tầng nước thích ứng biến đổi khí hậu cho nông hộ nhỏ tại Thanh Hóa và Nghệ An*

Nhà tài trợ: *Quỹ Phát triển Nông nghiệp Quốc tế (IFAD) của Liên hiệp quốc (UNDP)*

Thời gian: *9/11/2023*

Địa điểm: *N.V.H. Thuận Bình Giao - Xã Chấn Khê - Cẩm Xuyên - Nghệ An*

THÀNH PHẦN THAM DỰ: (Danh sách chi tiết đính kèm theo)

CÁC CHỦ ĐỀ THẢO LUẬN CHÍNH:

- Giới thiệu dự án (Tổng quan về dự án; Mục tiêu; Các hạng mục công trình chính và các hạng mục cụ thể được tham vấn)
- Các rủi ro và tác động về môi trường và xã hội của dự án (Tác động tích cực; Tác động bất lợi; Rủi ro bất lợi)
- Thảo luận các mối quan tâm, nhu cầu, mong muốn của địa phương liên quan đến các hoạt động của dự án
- Ghi nhận những ý kiến đề xuất của địa phương đối với thực hiện dự án

PHẢN HỒI TỪ PHÍA CỘNG ĐỒNG:

1. Tác động tiềm tàng của dự án

1.1. Tác động tích cực (+)

Đảm bảo nước tưới cho người dân, nhất là vào vụ mùa xuân → góp phần tăng năng suất và sản lượng cây trồng cho bà con của 2 thôn

Nâng cấp kênh mương đi mới để thoát nước, sửa s, được nhiều nước hơn, năng suất và năng suất sẽ cao hơn

1.2. Rủi ro và tác động bất lợi (-)

Các tài sản hiện có của tiểu dự án đến M. và xã. Tài sản vật thu được đất, tài sản do thu, trợ ở trong quá trình thi công có thể gây tài sản xấu đến

CS Được quét bằng CamScanner

MT và XH đang nên có thể học theo công trình
vào và mua và phải hạn chế các tài trợ địa
nhằm giữ ổn định MT và XH

1.3. Các mối quan tâm của địa phương/ Ưu tiên đầu tư tại địa phương

- Hệ đả về sinh kế, việc làm không đảm bảo đời
sống bình ổn cho người dân và giảm tỷ lệ nghèo.
(mức tiêu giảm 2%/năm)

- Dân báo về sinh - môi trường: Thu gom và xử
lý rác thải, công trình vệ sinh không đạt,
nước sinh hoạt

2. Nhu cầu/ mong muốn/ mối quan tâm liên quan đến các hoạt động của dự án

- Nâng cấp trạm bơm và kênh mương

- Trong tư vấn thực hiện các loại cây trồng
mang lại giá trị sinh kế cao như cây cà gai leo

- Có đầu tư cho các sản phẩm như cà gai leo,
cây sắn phải trồng được như đất trồng

3. Các ý kiến đề xuất của địa phương đối với thực hiện dự án

- Nhất trí, đồng thuận thực hiện dự án

- Ủng hộ và mong muốn dự án sớm triển khai

4. Bất kỳ câu hỏi, ý tưởng, đề xuất nào khác, nếu có

- Hồ sơ về việc làm cho người nông dân có thêm thu nhập
- Kết nối và có đầu ra cho các sản phẩm tại địa phương

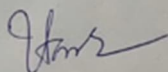
Xin lưu ý với những người tham gia rằng dự án sẽ tiến hành thêm các thảo luận nhóm tập trung khác nữa và/hoặc các cuộc họp tham vấn cộng đồng trong tương lai. Các cuộc họp này nhằm mục đích thông báo cho cộng đồng địa phương về tiến độ chuẩn bị dự án, tập trung vào cập nhật các rủi ro và tác động xã hội và môi trường khi hoàn thiện thiết kế dự án, để lấy ý kiến phản hồi và đề xuất của địa phương.

LƯU Ý DÀNH CHO NGƯỜI HỖ TRỢ:

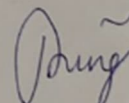
Khi kết thúc cuộc thảo luận nhóm tập trung,

1. Lập danh sách những người, tổ chức tham gia thảo luận TLN này, có chữ ký của những người tham gia cuộc họp.
2. Chuẩn bị biên bản cuộc họp tóm tắt các điểm thảo luận chính và phản hồi của những người tham gia, theo các chủ đề chính đã thảo luận ở trên, bao gồm các câu hỏi/mối quan tâm có thể được nêu ra trong cuộc họp.

ĐẠI DIỆN UBND PHƯỜNG/XÃ
(Ký, ghi họ tên)


Hong Thi My Hanh

ĐẠI DIỆN CỘNG ĐỒNG DÂN CƯ
(Ký, ghi họ tên)


Lu Van Dung

FOCUS GROUP DISCUSSION

Name of project	VIETNAM – Climate Resilient and inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)
Donor	IFAD
Time	9 November 2023
Place	Bai Gao Village Cultural House, Chau Khe Commune, Con Cuong District, Nghe An

MAIN TOPICS DISCUSSION:

- Project introduction (*Project overview; Project objectives; Key project activities and specific activities to be consulted*);
- Project's environmental and social risks and impacts (*Positive impact; Adverse impacts and risks*);
- Development local needs, expectation, concerns related to project activities;
- Record local suggestions for project implementation arrangements;

FEEDBACK FROM LOCAL PEOPLE

1. Project potential impact
 - 1.1. Positive Impacts (+)
 - *Ensure irrigation water for people, especially in the Spring crop, for contributions to increase productivity and crop output for the people of the village.*
 - *Upgraded canals to reduce water loss, there are more water in the field and productivity will be higher.*
 - 1.2. Adverse Risks and Impacts (-)
 - *Negative impacts of the subproject on the environmental and social issues: Impacts on land acquisition, impact due to dust and noise during construction can cause the environmental and social negative impacts.*
 - *Therefore, the project should arrange a construction schedule to avoid the off-season and limit the above impacts in order to maintain environmental and social stability in the project areas.*
 - 1.3. Any local concerns
 - *Support for livelihoods and employment to ensure people's economic life and reduce poverty in the project areas.*
 - *Ensure environmental hygiene: Waste collection and treatment, household sanitation facilities and domestic water.*
 2. Development needs/ expectations/concerns related to project activities?
-

- *Upgraded pumping stations and canals.*
 - *Equipped with knowledge of how to care for higher value crops such as Solanum procumbens.*
 - *Outputs linked for products such as Solanum procumbens and traditional products such as brocade weaving.*
3. Suggestions for project implementation arrangements
- *Agree for project implementation.*
 - *Support and expect that the project will be implemented as soon as possible.*
4. Any other questions, ideas, suggestions, if any?
- *Employment support for farmers to earn more money.*
 - *Connect and have output linked for local products.*

Please note to the participants that the project will conduct further focus group discussion and/or public meetings in the future. These meetings aim to inform the local community of the progress of project preparation, with focus on the social and environmental risks and impacts that are updated as the project design evolves for local feedback and suggestions.

NOTE TO FACILITATORS:

When concluding the focus group discussion,

3. Please make a list of people and organizations participating in this FGD discussion, with signature of meeting participants.
4. Prepare a minutes of meeting summarizing the key points of discussion and feedback of participants, following the key topics discussed above, including questions/concerns that may be raised during the meeting.

REPRESENTATIVE OF COMMUNE PEOPLE'S
COMMITTEE
(Signed)

REPRESENTATIVE OF COMMUNITY
(Signed)

Meeting with Thai ethnic minority representatives from Village Bãi Gạo of Châu Khê commune



Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex: Annex Secap Fpic Plan Vietnam Crwis

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Climate Resilient and inclusive Water Infrastructure for rural
Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)

FPIC IMPLEMENTATION PLAN

Version 2
(December 27, 2023)

Definitions

Affected Households (AHs). In the context of involuntary resettlement, AP are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically affected (loss of land, assets, access to assets, income sources, or means of livelihood) as a result of (i) land acquisition and involuntary resettlement; or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. In the case of AHs, it includes all members residing under one roof and operating as a single economic unit who is adversely affected by the project or any of its components. They can also be referred to as Displaced Persons. In this Resettlement Plan (RF), the term used will be "AH."

Disadvantaged individuals/groups. Refers to individuals or groups who, due to certain own circumstances such as their age, gender, disabilities, health, economic and ethnic status, and so forth, are more likely affected adversely by the project impacts and/or more limited in their ability to take advantage of project benefits. Disadvantaged individuals/groups are more likely excluded from, or unable to participate fully in the mainstream consultation process and may require specific assistance to promote inclusion.

In this project, disadvantaged individuals/ groups are defined as those who have the following characteristics: i) from an ethnic minority group, (ii) female headed household with dependents, (iii) landless/ limited productive land, (iv) frequent lack of male labor at home (e.g. migrant workers); (v) jobless, or limited economic opportunities; (vi) family member(s) with chronic illness, or disabilities; (vii) elderlies who live on their own; (viii) people living in an especially difficult circumstance, and (ix) people don't meet above criteria but are concurred by local community as vulnerable to poverty and need project's support to reduce their vulnerability. It is noted that disadvantaged individuals are usually from a poor, or a near-poor household.

Indigenous Peoples. "Indigenous Peoples" is defined by IFAD as follows:

- Priority in time, with respect to occupation and use of a specific territory;
- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
- Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
- An experience of subjugation, marginalization, dispossession, exclusion or discrimination.

Information Disclosure. The process of disseminating project information to stakeholders to allow them to understand the risks and impacts of the project, and potential opportunities. Documentation of the consultation process undertaken during project preparation along with FPIC implementation plans, IPP and indigenous peoples planning frameworks should be accessible and disclosed in a timely manner, in a place accessible to indigenous stakeholders and in a form and language understandable to them.

Meaningful consultation. Two-way process that starts early and be carried out on a continual basis throughout the project cycle to adequately inform the affected persons of the project's potential adverse displacement impacts and proposed mitigation measures including resettlement options: a) Information on the nature and scope of the project; b) The scope of and reason for land acquisition and/or access restrictions, c) Resettlement objectives and entitlement matrix and resettlement options, d) The right of the displaced to participate in resettlement planning and implementation, e)

An accessible grievance mechanism. Meaningful consultation also ensure that a) affected persons have the opportunity to influence resettlement plans, b) there is no coercion or intimidation and that affected persons can freely express their views early on and during implementation, c) gender-inclusive and tailored to needs of disadvantaged and vulnerable groups; and d) affected groups are able to monitor the RP.

Stakeholders. Parties interested in, potentially affected by or that influence project implementation. In the context of environmental, social and climate assessments, stakeholders may include: (i) donor agencies and government entities in the donor country; (ii) governments in the country of implementation; (iii) other bilateral multilateral donors; (iv) NGOs; and (v) civil society (adapted from United Nations Development Programme, 2017).

Vulnerable individuals/Households/Group. Group of affected persons who are likely to be more adversely affected by land acquisition than others and who are likely to have limited ability to re-establish their livelihoods or improve their status. Vulnerable persons are categorized as: (i) households living below the poverty rate as established by government's regulation; (ii) elderly people headed households with no means of support; (iii) female headed households with dependents living below the poverty rate; (iv) disabled headed households, (v) landless poor living below the national poverty rate; and (vi) ethnic minorities (who often have traditional land rights but no formal titles).

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1. INTRODUCTION

1.1 Project Overview

1.1.1 Project Rationale

Rural and poor households, which are dependent on agriculture for livelihood, are highly exposed to and impacted by extreme weather events such as droughts and floods. During flood or drought, vulnerable communities experience economic losses, damage to personal property, health impacts and loss of life. In a 20-year span, from 1999 to 2018, Vietnam has experienced 226 extreme weather events resulting in US\$ 2.019 billion losses. The increasing intensity and frequency of climate shocks and the degradation of the natural resource base (soil, water, forests) upon which agriculture depends has made evident the vulnerability of agricultural production. As a result, rural households are vulnerable to either fall back to poverty or be pushed into extreme poverty. In particular, rural women are disproportionately affected by climate shocks, with up to 63.4% of the female workforce involved in the agriculture sector, mostly in subsistence farming, with a double burden of managing agricultural production and unpaid care work, and low involvement of women in information, decision making and planning for climate resilience, due to existing social norms that currently do not favour women.

The multi-dimensional poverty of Thanh Hoa and Nghe An in 2021 was estimated to be 6.3% and 9.5%, respectively, against a national average of 4.4%. Both provinces are heavily affected by frequent storms and typhoons causing floods in the delta area and along riverbanks, flash floods and landslides in mountainous and midland areas, saltwater intrusion and sea level rise in the coastal plain, as well as heat stress and extended dry spells during dry seasons. Existing water infrastructure, such as dams, reservoirs, pumping stations, irrigation and drainage canals, river embankment, are often multipurpose for irrigation, hydropower, flood control, water supply, are over 20 years old and degraded, and were not designed for a rapidly changing climate with shifting patterns of runoff and river flows. Given the high dependency of agriculture on the water sector, a threat to water resources is a threat to agriculture, livelihoods and food security.

1.1.2 Project Goal & Development Objectives

The goal of the project is to strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socioeconomic development in Thanh Hoa and Nghe An provinces.

The Project Development Objective (PDO) is to catalyse climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods.

1.1.3 Project Outcomes and Outputs

This project's goal will be achieved through the three below interlinked outcomes.

OUTCOME 1: Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure

- **OUTPUT 1.1: Improved access to and efficiency of irrigation water for smallholders.** The project will undertake the rehabilitation and modernization of pumping stations and concretised irrigation canals (I and II) to improve the efficient use of water and increase agricultural production by optimising the existing infrastructure and increasing their adaptive capacity to withstand climate risks. The project will coordinate and provide capacity development to

Government-led rehabilitation programmes under NTP-NRD targeting on-farm irrigation canals (III and IV) and small-scale irrigation systems for improved farm level water management. In preparing for future climate challenges, the project will select sites for the relocation of pumping stations, ensuring that any potential risks associated with changing climates are taken into account.

- **OUTPUT 1.2:** Improved prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. The project will undertake the rehabilitation of critical sections of river dikes to strengthen the protection of agricultural and residential lands against the impacts of floods, saline intrusion and coastal and river erosion.
- **OUTPUT 1.3:** Improved connectivity between communes and physical access to infrastructure, markets and services. The project will undertake the construction and rehabilitation of on-dike roads and access roads to pumping stations, to strengthen WUGs capacity for timely water management, facilitate maintenance and operation, improve connectivity between rural communes and provide better access to services and markets, and improved mobility of rural smallholders including women.

OUTCOME 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management

- **OUTPUT 2.1:** Improved capacity of water user groups for inclusive irrigation water management. The project will include gender-responsive capacity building of WUGs in sustainable and climate-informed community-led water management and maintenance of infrastructure. To streamline efforts and ensure optimum water management, the Project will facilitate enhanced collaboration between irrigation companies, Water User Groups, village leaders, DARD, and the hydrology & meteorology department of DONRE. To best equip stakeholders, the project will focus on bolstering their technical expertise in reservoir and water use management.
- **OUTPUT 2.2:** Improved local institutional capacity and coordination mechanism for integrated, inclusive and climate informed water management. The project will develop an operational plan for an inclusive institutional coordination mechanism on integrated water management, review and upgrade existing Climate Information Systems (CIS), update flood and drought risk maps at district and commune levels, build capacity of local institutions in data collection, analysis and provision of hydrometeorological information for agriculture. Specifically, the project will support women's empowerment in decision-making for water management and climate change action plan, and provide opportunities for increasing youth employability in existing and emerging labour markets around climate and water management. There will be concerted effort to make the delivery of improvements to the CIEWS (Climate Information and Early Warning System) more streamlined. This enhancement is vital as it facilitates timely warnings and the implementation of associated temporary evacuation measures when circumstances demand.

OUTCOME 3: Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models

- **OUTPUT 3.1:** Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge. The project will undertake multi-stakeholder surveys to assess existing climate-adapted business models, identify profitable irrigated commodities for smallholders, establish Farmer Field Schools to upscale CSA technologies and practices. The project will specially target vulnerable smallholder farmers to pilot innovations and de-risk the adoption of improved agricultural models through targeted small-scale investments. A significant part of this project will involve sharing knowledge on the use of organic inputs.

- OUTPUT 3.2: Increased smallholder farmers' income from facilitated business linkages with the private sector. The project will support the establishment of public-private-producers partnership (4P) platforms and the organisation of policy dialogues to strengthen business linkages among value chain actors, aimed at providing timely agrometeorological advisory services to smallholders and sustainable market opportunities for their produce.

1.2 Purpose of FPIC Implementation Plan

The purpose of the FPIC Implementation Plan is to set forth procedures that PPMU shall follow when FPIC is required, as per SECAP (2021), under the following two scenarios:

1. When subprojects under CRWIS have an impact on the land access and land use rights;
2. When ethnic minority peoples are project target groups, or rural areas that are home to ethnic minority peoples.

2. FPIC BACKGROUND

2.1 Definition of FPIC

According to IFAD (2021), FPIC is defined as follows:

Free implies no coercion, intimidation or manipulation.

- Prior implies that consent has been sought sufficiently in advance of any decision point or commencement of activities and respect is shown to time requirements of indigenous consultation/consensus processes.

Informed implies that information provided covers (at least) the following aspects:

- The nature, size, pace, duration, reversibility and scope of the proposed project/activity;
- The rationale or purpose of the project/activity;
- The geographical areas that will be affected;
- A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit-sharing;
- Personnel likely to be involved in the execution of the proposed project/activity;
- Procedures that the project or activity may entail.

Consent is the expected outcome of the consultation, participation and collective decision-making process by the local communities. It is the mutual agreement reached, documented and recognized by all parties. Consultation and participation are crucial components of a consent process and require time and an effective system for communicating among interest-holders. Consultation should be undertaken in good faith, and local communities must be able to participate through their own freely chosen representatives and customary or other institutions. In general, communities would first consent to discuss the idea of the project that will affect their land, territories and resources. They would further participate in the consultation process leading to consent by contributing to the design of the project, including its implementation and monitoring mechanisms.

Depending on the nature of the project, consent may be required for:

- The overall project (e.g. the construction of an irrigation system);

- A component and specific activity of a project (e.g. if a project has one component on irrigation and one on microfinance, consent would be needed for the component that affects the land and use rights of the communities).

Consultation is an important feature throughout the entire project cycle. IFAD applies a participatory approach to ensure that local communities are engaged in project design through customized approaches, e.g. by making use of local languages or hiring local and/or indigenous experts as part of the design team. Impact assessments at the beginning of the project design stage can identify important risks and benefits; these assessments need to ensure community participation and to communicate results. Experience also shows that a continuous consultation process is required during implementation, as initial consultations with sample communities are not sufficient. For example, community plans, aspirations and customary practices for resource management are often not available in writing. Moreover, it takes time to generate the trust needed to establish genuine partnerships.

2.2 Scenarios that require FPIC

Free, prior and informed consent (FPIC) is an operational principle empowering local communities to give or withhold their consent to proposed investment and development programmes that may affect their rights, access to lands, territories and resources, and livelihoods. FPIC is solicited through consultations in good faith with the representative institutions endorsed by communities. It ensures that they participate in decision making processes concerning a given development project (IFAD, 2015).

IFAD requires the application of FPIC in two scenarios:

3. When IFAD-funded projects are likely to have an impact on the land access and use rights of **rural communities**

In projects that affect land access and use rights of communities, IFAD requires the application of the principle of FPIC to local communities in a broad sense. Hence, during project design and in application of the Social, Environmental and Climate Assessment Procedures (SECAP), the local communities that would potentially be affected need to be identified.

4. When IFAD-funded projects are targeting rural areas that are home to indigenous peoples.

In areas that are home to indigenous, or ethnic minorities, FPIC is, generally, required.

2.3 Seeking FPIC during Project Cycle

Based on the above two scenarios, during project design, FPIC needs to be sought for project activities and/or benefiting communities can be clearly identified – for particular subprojects, during project design stage.

In addition, the FPIC implementation plan (this document) needs to be included in the Project Implementation Manual (PIM) to guide application of FPIC for relevant subprojects which will be identified during project implementation.

Table 1 – Summary of activities with FPIC consultation focus during project design

No.	Project Outcomes and Outputs	During project design
1	OUTCOME 1: Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure	
1.1	<ul style="list-style-type: none"> ▪ OUTPUT 1.1: Improved access to and efficiency of irrigation water for smallholders. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles. ▪ Particular attention given to cases where land acquisition is anticipated and in location where ethnic minority people are present in subproject area (Chau Khe commune, Con Cuong District, Nghe An province). ▪ Also, particular focus was given to cases where temporary restricted irrigation access in a possibility during construction process
1.2	<ul style="list-style-type: none"> ▪ OUTPUT 1.2: Improved prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles.
1.3	<ul style="list-style-type: none"> ▪ OUTPUT 1.3: Improved connectivity between communes and physical access to infrastructure, markets, and services. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles. ▪ Particular focus was given to cases where land impact is anticipated
2	OUTCOME 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management	
2.1	<ul style="list-style-type: none"> ▪ OUTPUT 2.1: Improved capacity of water user groups for inclusive irrigation water management. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles. ▪ Particular focus was given to cases where temporary restricted irrigation access in a possibility during construction process and potential water use conflict during operations.
2.2	<ul style="list-style-type: none"> ▪ OUTPUT 2.2: Improved local institutional capacity and coordination mechanism for integrated, inclusive and climate informed water management. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles.
3	OUTCOME 3: Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models	
3.1	<ul style="list-style-type: none"> ▪ OUTPUT 3.1: Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles. ▪ Particular attention given to cases where ethnic minority people are present in subproject area (Chau Khe commune, Con Cuong District, Nghe An province).
3.2	<ul style="list-style-type: none"> ▪ OUTPUT 3.2: Increased smallholder farmers' income from facilitated business linkages with the private sector. 	<ul style="list-style-type: none"> ▪ Consultation based on FPIC principles. ▪ Particular attention given to cases where ethnic minority people are present in subproject area (Chau Khe commune, Con Cuong District, Nghe An province), recognizing that ethnic minority in Chau Khe commune (Thai ethnic group) are not familiar yet with value chain and upscaled production due to limited land size and labor.

3. LEGAL FRAMEWORK FOR SEEKING FPIC

3.1 National laws and regulations

3.1.1 Scenario related to ethnic minority people

The Constitution of the Socialist Republic of Vietnam (2013) recognized the equality between Ethnic Minorities in Vietnam. Article 5 of the Constitution in 2013 provides:

- Socialist Republic of Vietnam is the unified state of all nationalities living in the country of Vietnam.
- The nationalities equal, unite, respect and help each other to develop; prohibits any discrimination, or ethnic division.
- The national language is Vietnamese. The nation has the right to use voice, text, preserving the national identity, promoting traditions, customs, traditions and culture.
- The State implements a comprehensive development policy and creates reasonable conditions for the ethnic minorities to mobilize resources, along with the development of the country.

It is required that economic and social policies are designed in accordance to the needs of each ethnic minority group, and each region. The Socio-Economic Development Plan and Socio-Economic Development Strategy of Vietnam has a particular focus, among other things, on ethnic minorities. This is indicative of past major programs that target ethnic minority people such as the Program 135 (infrastructure in poor and remote areas), Program 134 (eradication of poor-quality houses), and ongoing development program such as the National Target Program on Socioeconomic Development of Ethnic Minorities and Mountainous Areas from 2021-2030 (via Decision 1719/QĐ-TTg dated 14 October).

In addition to development program dedicating to supporting development of ethnic minorities, there are various legal documents that are fundamental in setting the principles for development support, such as those related to promoting the participation of local people in development process such as Decision No. 80/2005/QĐ-TTg by the Prime Minister (dated 18 April 2005) providing guidance on monitoring of community investments, Ordinance No. 34/2007/PL-UBTVQH11 (dated 20 April 2007) on implementation of democracy in communes, wards, and town that foster engagement and participation of community in preparation of development plans and in supervision of development process. Table below provide a list of key legal documents that apply to development of ethnic minorities in Vietnam, which also apply to ethnic minorities living in the project area.

Year	Number of Documents and Main Contents
2017	Decision No. 582/QĐ-TTg dated 28/4/2017 on approving the list of especially difficult hamlet, commune under III area, II area and I area of ethnic minority and mountainous areas in the period of 2016 - 2020
2016	Decision No. 2086/TTR-UBND dated 31/10/2016 on Approval of the Special policy to support socio-economic development in ethnic minority and mountainous areas in the period of 2017 - 2020
2016	Decision 2085/QĐ-TTg dated 31/06/2016 on Approval the Special policy to support socio-economic development in ethnic minority and mountainous areas in the period of 2017 – 2020
2016	Decision No. 12/2016/QĐ-TTg dated 11/03/2016 (On the continued implementation of Decision No 30/2012/QĐ-TTg dated 18/07/2012 on the criteria for determining particularly difficult villages, communes in ethnic minority and mountainous area in 2012-2015) and Decision No 1049/QĐ-TTg dated 26/06/2014 (Promulgating list of administrative units in disadvantaged areas)

Year	Number of Documents and Main Contents
2015	Decision No. 1557/QĐ-TTg dated 10/09/2015 of the Prime Minister on the approval of a number of indicators for the Millennium Development Goals for ethnic minority associated with sustainable development goals after 2015.
2014	Decision No. 456/QĐ-CEM dated 07/11/2014 on the issuance of the implementation plan to raise the effectiveness and efficiency of the State management of ethnic minority affairs.
2014	Directive No.28/CT-TTg dated 10/08/2014 on improving the effectiveness and efficiency of the State management of ethnic minority affairs.
2013	Joint Circular No. 05/2013-TTLT-UBDT-NNPTNT-KHDT-TC-XD dated 18/11/2013 guiding the supported program 135 on investment in infrastructure, economic development for extremely difficult communes, borderline communes, social security area, and extremely difficult village and hamlets...
2013	Decision No. 2214/QĐ-TTg dated 14/11/2013 of the Prime Minister, approving the scheme for Enhancing international cooperation to support the socio-economic development of Ethnic Minorities.
2013	Decision No. 56/2013/QĐ-TTg dated 07/10/2013 on the amendment and supplement of some provisions of Decision No 18/2011/QĐ-TTg dated 18/03/2011 of the Prime Minister on the policy for prestigious people in ethnic minorities.
2013	Decision No. 29/2013/QĐ-TTg of the Prime Minister, dated 09/06/2008 on a number of policies to support resettlement land, cultivated land and jobs for ethnic minorities and difficult households in the Mekong delta region.
2013	Decision No. 551/QĐ-TTg dated 04/04/2013 of the Prime Minister, approving the program supported 135 investment in infrastructure, support for production supported program 135 on investment in infrastructure, production development for extremely difficult communes, borderline communes, social security area, and extremely difficult village and hamlets.
2012	Circular No.02/2013/TT-UBDT dated 04/12/2012 guiding the implementation of some articles of Decision No. 54/2012/QĐ-TTg dated 04/12/2012 of the Prime Minister promulgating the loan policy for economic development for ethnic minority households with special difficulties
2012	Decision No. 42/2012/QĐ-TTg dated 08/10/2012 of the Prime Minister Regarding Support for organizations and units utilizing employees that are ethnic minority people in mountainous and special difficult areas
2012	Joint Circular No. 01/2012 / TTLT-BTP-CEM date on January 17, 1012 of the Ministry of Justice and the Committee for Ethnic Minorities on guidelines and legal assistance for ethnic minorities.

3.1.2 Scenario related to land impact

The following Laws and Decrees apply when land acquisition, compensation and resettlement are required in Vietnam, and under the project.

- The Constitution of the Socialist Republic of Vietnam adopted in 2013.
- Land Law No.45/2013/QH13 adopted in 2013, effective on July 1, 2014.
- Decree No.01/2017/ND-CP, amending and supplementing a number of decrees detailing the implementation of the Land Law.
- Law on Public Investment No.49/2014/QH13, effective on January 01, 2015.
- Complaint Law No.02/2011/QH13 dated November 11, 2011;
- Decree No.75/2012/ND-CP dated March 10, 2012 on specific provisions a number of articles of the Law on Complaints.
- Decree No.43/2014/ND-CP dated May 15, 2014 of the GOV on detailing a number of articles of Land Law No.45/2013/QH13.
- Decree No.44/2014/ND-CP dated May 15, 2014 of the GOV on land prices.
- Decree No.45/2014/ND-CP dated May 15, 2014 of the GOV on collection of land use levies.

- Decree No.46/2014/ND-CP dated May 15, 2014 of the GOV on collection of land rent and water surface rental.
- Decree No.47/2014/ND-CP dated May 15, 2014 of the GOV on compensation, support and resettlement upon land recovery by the State.
- Decree No.136/2015/ND-CP dated December 31, 2013 of the Government guiding the implementation of a number of articles of the Law on Public Investment.
- Decree No.99/2015/ND-CP dated October 20, 2015 of the Government detailing and guiding the implementation of a number of articles of the Housing Law.
- Decree No.16/2016/ND-CP dated March 16, 2016 of the Government and Circular No.12/2006/TT-BKHDT dated August 8, 2016 on management and use of official development support (ODA) and concessional loans from foreign donors.
- Circular No.30/2014/TT-BTNMT dated June 2, 2014 of MONRE regulating documents on land allocation, land lease, change of land use purpose, land acquisition.
- Circulars No.36/2014/TT-BTNMT dated June 30, 2014 of Ministry of Natural Resources and Environment on land pricing method; compilation of and adjustment to land price lists; determination of specific land prices and consultancy on land pricing.
- Circular No.37/2014/TT-BTNMT of the MONRE dated June 30, 2014 on compensation, support and resettlement upon land recovery by the State.
- Circular No.332/2016/TT-BTC dated December 26, 2016 on amending and supplementing Circular No.76/2014/TT-BTC dated June 16, 2014 of the Ministry of Finance guiding the implementation of Decree No.45/2014/ND-CP on collection of land use fees.
- Circular No. 33/2017/TT-BTNMT dated September 29, 2017 detailing the provisions of Government's Decree No. 01/2017/ND-CP dated January 6, 2017 which amends supplements a number of decrees detailing the implementation of the Land Law and amends and supplements a number of articles of circulars guiding the implementation of the Land Law.

Given the above legal system that support the application of FPIC under two scenarios described under Section 2.2 (above), seeking FPIC for project activities that involve one, or two above scenarios, or both, is feasible legally under the project,

3.2 Application of FPIC under IFAD financed project in Vietnam and worldwide.

At global level, IFAD is among the first international financial institutions to adopt FPIC as an operational principle in its policy documents, including its policies on Improving Access to Land and Tenure Security (2008); Engagement with Indigenous Peoples (2009), Environment and Natural Resource Management (2011), and Social, Environmental and Climate Assessment Procedures (2021). IFAD-funded projects are people-centred, and, for IFAD, FPIC is not only a safeguard principle, but rather a proactive approach to identify development pathways with local communities and build ownership on project initiatives.

In Vietnam, among 17 projects that IFAD has financed since 1993, FPIC was applied in different relevant projects, and recently under various on-going IFAD project such as the Commercial Smallholder Support Project in Bac Kan and Cao Bang, and the Climate Smart Agriculture Transformation Project in the Mekong Delta (CSAT).

4. GUIDING PRINCIPLES FOR FPIC

The following guiding principles have been applied for consultation with local people in potential subprojects considered during project design, and will be used for subprojects that are confirmed, during project implementation, for investment financing.

4.1 Identification of parties to the negotiation and decision makers

In order to ensure legitimacy, it is crucial that FPIC be obtained from the representative institutions of local communities. Understanding how communities make decisions is an important step in the FPIC process. There may be a need to go beyond traditional institutions – for example, to ensure participation of women, youth and people with disabilities in decision-making. Representative institutions must strive to adhere to the principles of inclusive consultation, participation and consent in their internal decision-making processes.

4.2 Elaboration of the decision-making processes of the respective parties

FPIC is not just a means to obtain consent to a particular project; it is also a process in itself, and one by which indigenous peoples and local communities are able to conduct their own independent and collective discussions and decision-making. They do so in a culturally appropriate way, on matters affecting their rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible). An early agreement must be reached with the indigenous peoples/local communities on the modalities of the consultations, most likely in their territory, where they may feel more able to express themselves, and where they have the support of their community. This includes the right to privacy in negotiations and deliberations for them to discuss and decide freely.

4.3 The role of outside counsel and expertise, including a third-party mediator/negotiator

Some local or indigenous peoples' institutions may require additional technical capacity to ensure that their right to FPIC is respected. Facilitators may play an important role in the FPIC process, as the process itself is an empowering tool to build the capacities of local institutions and communities. Specific trainings on raising awareness on the right to consent have been developed in the last decade, particularly by indigenous peoples' organizations and non-governmental organizations (NGOs) (More information can be found in annex 9).

4.4 Identification of and respect for community protocols

It is fundamental to respect the traditional and customary protocols, including social norms, for both verbal and non-verbal communication. The latter can include body language, personal space and eye contact.

4.5 Sharing of information in a meaningful, accessible and culturally appropriate manner

It is important to take into consideration information needs, communication channels and media (ranging from traditional/local media to information and communications technology, and communication activities). Consider the diverse levels of literacy, local languages and interest in the technical aspects of the project. Ensure that the process is as participatory as possible, and keep community members informed at every step.

4.6 Identification of other project activities or circumstances that might trigger additional consent processes

It is key to recognize that through FPIC, projects seek full and effective participation of and engagement with indigenous peoples and local communities. The objective is not about reaching a yes or no, but to establish a process of mutual trust and reach an agreement on the project activities.

4.7 The format for documenting the agreement

There is no universal way of documenting consultation, participation and consent. However, the main suggestions for documenting the FPIC process are as follows:

- **Keep records of consultations** undertaken how participants were selected; their roles or accountability links to their communities; how they were invited; which consultations they participated in; what documentation/information they received beforehand and in which language; who participated; what was discussed.
- Document FPIC agreements: Often FPIC is expressed as an agreement between the designated project management unit and the concerned local communities. These agreements should clearly articulate: what has been agreed (e.g. issues, commitments, time frames, budgets, roles, responsibilities); who entered into the agreement (clearly identifying the individuals involved as well as their title and role); and what mechanisms have been set up to maintain dialogue and address disagreements.

It is important to note that if consent is withheld by the affected communities, the project proponent needs to assess the causes and conditions required by the communities to reach agreement and provide consent. In most cases, the consultation process of FPIC may lead to an adjustment of proposed project activities to communities' rights and priorities. In other cases, the community withholding consent may not be interested in joining the project. In this case, the dissent should be clearly documented and communicated to IFAD and the borrowing government.

5. FPIC IMPLEMENTATION PLAN

5.1 Consultations during Project Design

During project design, consultation has been conducted with a total of 278 local people who live in 15 potential project communes (out of total 53 potential project communes). Of the total 278 people consulted, 49% (136 people) are male and 51% (142 people) are female. There were 15 ethnic minority people in Chau Khe commune, Con Cuong district, Nghe An province, participating in the consultation. It is noted that of the total 53 potential project communes, Chau Khe commune is the only potential project location that have EM people present in the potential project's area of influence. These EM people account for 5% of total consulted participants (See Table 1 below).

The above consultation meetings were conducted following FPIC principles. The consultation indicate there is an overall support from all consulted people for investment currently proposed for their respective communes. The list of communes where consultation has been made with people who are potentially affected with minor land impact are provided below.

Table 2 – List of communes with focus group discussion in preparation for seeking for FPIC

No.	Date	Consulted people			Ethnicity	Communes	District	Provinces
		Male	Female	Total				
	April 2023							
1	13/4/2023	4	3	7	Kinh	Hoang Yen	Hoang Hoa	Thanh Hoa
2	13/4/2023	5	3	8	Kinh	Hoang Ngoc	Hoang Hoa	Thanh Hoa
3	14/4/2023	6	13	19	Kinh	Hoang Dong	Hoang Hoa	Thanh Hoa
4	14/4/2023	4	4	8	Kinh	Hoang Luu	Hoang Hoa	Thanh Hoa
5	14/4/2023	6	4	10	Kinh	Hoang Phu	Hoang Hoa	Thanh Hoa
6	17/4/2023	5	8	13	Kinh	Ha Tien	Ha Trung	Thanh Hoa
7	18/4/2023	4	3	7	Kinh	Ha Tan	Ha Trung	Thanh Hoa
	August 2023							
8	16/8/2023	5	6	11	5 Thai EM, 6 Kinh	Chau Khe	Con Cuong	Nghe An
9	17/8/2023	8	10	18	Kinh	Lang Son	Anh Son	Nghe An
10	18/8/2023	8	7	15	Kinh	Da Son	Do Luong	Nghe An
11	21/8/2023	7	5	12	Kinh	Thanh Ha	Thanh Chuong	Nghe An
12	22/8/2023	11	8	19	Kinh	Khanh Son	Nam Dan	Nghe An
13	23/8/2023	22	14	36	Kinh	Chau Nhan (2 FGDs)	Hung Nguyen	Nghe An
	Nov 2023							
14	4/11/2023	12	8	20	Kinh	Ha Giang	Ha Trung	Thanh Hoa
15	4/11/2023	11	8	19	Kinh	Ha Son	Ha Trung	Thanh Hoa
16	5/11/2023	3	9	12	Kinh	Hoang Luu	Hoang Hoa	Thanh Hoa
17	9/11/2023	6	3	9	Thai EM	Chau Khe	Con Cuong	Nghe An
18	10/11/2023	1	11	12	Kinh	Lang Son	Anh Son	Nghe An
19	11/11/2023	8	15	23	Kinh	Lam Son	Do Luong	Nghe An
		136	142	278				

5.2 FPIC Sought during Project Implementation

During project design, 278 local people who live in 15 potential project communes (out of total 53 potential project communes) have been consulted. Of the total 278 people consulted, 49% (136 people) are male and 51% (142 people) are female. Based on the purposes of respective subproject, consulted people, overall, provide support implementation of the respective subprojects. On potential project benefits, some farmers have expressed their aspiration for project support in changing their crops: from rice production to cash crop cultivation (e.g. cucumber, cantaloupe). They also expect the project would provide loans, and transfer of technology for greenhouse farming (for Thanh Hoa), support in smallholder farming model under forest tree canopy (for Nghe An), and assist them to market for potential crops such as cucumber. Overall, smallholder farmers have a high need for loan to support them in improving agricultural production (See other stakeholder feedback at Annex 1).

During project implementation, the following steps will be undertaken to initiate the FPIC process (towards obtaining FPIC outcome).

- At start-up: discuss and update FPIC implementation plan
- Conduct the FPIC process and document consent agreement
- Ensure FPIC process is developed by government and provide technical support
- At mid-term review identify the level of implementation of the agreements reached during the FPIC process

Guidance for Seeking FPIC during project implementation stage is detailed in Table 3 (below).

Table 3 – **Initiating** the FPIC process at the design stage **of subprojects identified during project implementation**

No.	Key steps	Activities in each step	Responsible parties	Timelines
1	Conduct socio-cultural and land tenure assessment	<p><i>Identify</i></p> <ul style="list-style-type: none"> ▪ Customary laws, informal rules and organizing practices on land ownership ▪ Institutions and governance systems ▪ Types of livelihoods ▪ Mutual support and solidarity mechanisms ▪ Community stakeholders, land users and assess who has the right to give or withhold the consent ▪ Substantive rights and national legal framework related to FPIC <p><i>Assess</i></p> <ul style="list-style-type: none"> ▪ Consequences from the proposed project that may result in the change of the status of the lands, territories, and resources 	PPMU and IFAD (consultants may be engaged to conduct assessments for identified subprojects that meet the scenarios (see Section 2.2)	<p>During project design (for initially identified subprojects by November 2023).</p> <p>During project implementation for confirmed subprojects.</p>
2	Identify decision-making institutions and representatives	<ul style="list-style-type: none"> ▪ Conduct preliminary consultations with the community and explain the nature of the proposed project ▪ Allow time for communities to discuss and decide on their representatives for the consultation process leading to FPIC ▪ Clarify responsibilities of representatives ☐ Agree on the process leading to FPIC ☐ Identify signatory parties for the consent agreement 	PPMUs of Thanh Hoa and Nghe An, possibly through an independent facilitator (with IFAD's technical support as part of project implementation support, if required.	During project design, and updated during project design
3	Conduct consultation leading to FPIC on the proposed project activities	<ul style="list-style-type: none"> ▪ Share objectives and scope of the project with the representatives identified by the communities and identify project component(s) requiring FPIC ▪ Inform them on the actors financing and implementing the project and their respective responsibilities ▪ Provide clear and transparent information on the benefits and risks of the project ▪ Share the findings of the sociocultural, land tenure and environmental assessment ▪ Formalize consent agreement 		By the first year of project implementation and prior to commencing construction for selected schemes
4	Formalize the consent agreement with the local communities	<p><i>Include</i></p> <ul style="list-style-type: none"> ▪ Respective expectations ▪ Proposed project duration, expected results and activities ▪ Participatory monitoring and verification plan and procedures 		During consultation process (during project)

No.	Key steps	Activities in each step	Responsible parties	Timelines
		<ul style="list-style-type: none"> ▪ Identification of grievances procedures and mechanisms @ Terms of withdrawal of consent ▪ Record of process through means and languages accessible to all stakeholders and parties involved <p><i>Document FPIC process</i></p> <ul style="list-style-type: none"> ▪ Keep record of consultations ▪ Document FPIC agreements ▪ Document specific instances that express FPIC 		implementation) and prior to commencing construction for selected schemes

Table 4 – Seeking FPIC at the implementation stage for subprojects

No.	Key steps	Activities in each step	Responsible parties	Timelines
1	Prepare FPIC implementation plan	<p><i>During design phase (annexed to design report)</i></p> <p>The FPIC implementation plan should specify:</p> <ul style="list-style-type: none"> How and when to conduct the sociocultural and land tenure assessment How and when to identify decision- making institutions and representatives How and when to conduct consultation leading to FPIC Involve experts in the design team During project design missions, consult with farmers and indigenous peoples' organizations and agree on the FPIC plan (use the Farmers' Forum and the Indigenous Peoples' Forum networks) Grievance mechanisms 	By Provincial PMUs	Completed prior to commencing subproject construction.
2	Present to participants at the start-up workshop	<p><i>At start-up workshop</i></p> <ul style="list-style-type: none"> Confirm/revise FPIC implementation plan at start up workshop Conduct/(review if available) sociocultural and land tenure assessment Identify decision- making institutions Conduct preliminary consultations with the community and explain the nature of the proposed project Allow time for communities to discuss and decide on their representatives for the consultation process leading to FPIC Clarify responsibilities of representatives Agree on the process leading to FPIC Identify signatory parties for the consent agreement 		
3	Conduct consultations leading to FPIC	<p><i>After start-up workshop</i></p> <ul style="list-style-type: none"> Share objectives and scope of the project with the representatives identified by the communities and identify project component(s) requiring FPIC Inform them on the actors financing and implementing the project and their respective responsibilities Provide clear and transparent information on the benefits and risks of the project Share the findings of the sociocultural, land tenure and environmental assessment 		
		<ul style="list-style-type: none"> The format for a consent agreement to include: Respective expectations Proposed project duration, expected results and activities Participatory monitoring and verification plan and procedures Identification of grievances procedures and mechanisms Terms of withdrawal of consent 		

No.	Key steps	Activities in each step	Responsible parties	Timelines
		<ul style="list-style-type: none"> Record of process through means and languages accessible to all stakeholders and parties involved 		
4	Formalize consent agreement	<p><i>Before any investment is made</i></p> <ul style="list-style-type: none"> The format for a consent agreement to include: <ul style="list-style-type: none"> Respective expectations Proposed project duration, expected results and activities Participatory monitoring and verification plan and procedures Identification of grievances procedures and mechanisms Terms of withdrawal of consent Record of process through means and languages accessible to all stakeholders and parties involved 		
5	Assess FPIC implementation	<p><i>Implementation support/joint review/ mid-term review missions</i></p> <ul style="list-style-type: none"> Engage experts in joint review missions to analyse: (i) quality of project target group engagement and feedback; (ii) Implementation of FPIC processes; (iii) SECAP requirements for implementation; and (iv) to inform corrective/adaptive measures, and learn lessons for subsequent dissemination and uptake in other projects Engage with PPMUs in charge of consultations with EM peoples. 		

Annex 1 – Summary of Consultation Results during Project Design

Consultation schedule during project design

During project design, consultation has been conducted with a total of 278 local people who live in 15 potential project communes (out of total 53 potential project communes). Of the total 278 people consulted, 49% (136 people) are male and 51% (142 people) are female. There were 15 ethnic minority people in Chau Khe commune, Con Cuong district, Nghe An province, participating in the consultation. It is noted that of the total 53 potential project communes, Chau Khe commune is the only potential project location that have EM people present in the potential project's area of influence. These EM people account for 5% of total consulted participants (See Table 1 below).

Table 5 – List of communes with focus group discussion in preparation for seeking for FPIC

No.	Date	Consulted people			Ethnicity	Communes	District	Provinces
		Male	Female	Total				
	April 2023							
1	13/4/2023	4	3	7	Kinh	Hoang Yen	Hoang Hoa	Thanh Hoa
2	13/4/2023	5	3	8	Kinh	Hoang Ngoc	Hoang Hoa	Thanh Hoa
3	14/4/2023	6	13	19	Kinh	Hoang Dong	Hoang Hoa	Thanh Hoa
4	14/4/2023	4	4	8	Kinh	Hoang Luu	Hoang Hoa	Thanh Hoa
5	14/4/2023	6	4	10	Kinh	Hoang Phu	Hoang Hoa	Thanh Hoa
6	17/4/2023	5	8	13	Kinh	Ha Tien	Ha Trung	Thanh Hoa
7	18/4/2023	4	3	7	Kinh	Ha Tan	Ha Trung	Thanh Hoa
	August 2023							
8	16/8/2023	5	6	11	5 Thai, 6 Kinh	Chau Khe	Con Cuong	Nghe An
9	17/8/2023	8	10	18	Kinh	Lang Son	Anh Son	Nghe An
10	18/8/2023	8	7	15	Kinh	Da Son	Do Luong	Nghe An
11	21/8/2023	7	5	12	Kinh	Thanh Ha	Thanh Chuong	Nghe An
12	22/8/2023	11	8	19	Kinh	Khanh Son	Nam Dan	Nghe An
13	23/8/2023	22	14	36	Kinh (2 FGDs)	Chau Nhan	Hung Nguyen	Nghe An
	Nov 2023							
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16	5/11/2023	3	9	12	Kinh	Hoang Luu	Hoang Hoa	Thanh Hoa
17	9/11/2023	6	3	9	Thai	Chau Khe	Con Cuong	Nghe An
18	10/11/2023	1	11	12	Kinh	Lang Son	Anh Son	Nghe An
19	11/11/2023	8	15	23	Kinh	Lam Son	Do Luong	Nghe An
		136	142	278				

Information presented to the consulted peoples

During the consultations with 278 people (49% male, 51% female) conducted in 15 focus groups discussion in April, August and November 2023. The consultation meetings aimed to:

- Introduce the project development objectives, project activities, expected outcomes;
- Understand the development needs to local people in relation to proposed subproject in their respective commune, and overall project development objectives.
- Social and environmental risks and impacts that are likely associated with the proposed investment at respective communes being consulted These risks and impacts are identified

and initially assessment in accordance with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).

- Present key mitigation measures that are currently considered to address the above E&S risks and impacts, and proposed grievance redress mechanism.

Overall feedback from consulted people

Overall feedback on livelihoods and environmental condition of 15 consulted communes.

- Most households in the potential 53 project communes earn a living by agricultural and forestry activities including rice farming, fishing, aquaculture, forestry (growing forest trees, collecting bamboo shoots and woods, especially those in Con Cuong, Anh Son, Thanh Chuong districts of Nghe An province. A small number of households could make ends meet by providing tourism services (e.g., homestay). The youth tend to work in factories in the provinces or migrate to other provinces/ overseas.
- Inter-commune and inter-district roads are good conditions. The environment in the project area is generally fresh and not polluted - except for some locations close by mining areas. There are a few key biodiversity area located near the project area, particularly Pu Mat National Park and Sen Tam Quy Natural Reserve, Lam River Basin and Ma River Basin. The project areas in Nghe An and Thanh Hoa located in Lam River Basin and Ma River Basin which are modified habitats and have been influenced by human activities for hundred years. Pu Mat National Park and Sen Tam Quy Natural Reserve are protected areas which are under stringent protection regulated by Vietnam's laws and regulations. To date, none of the CRWIS hamlets have been identified to be located in the buffer zones of Pu Mat National Park nor Sen Tam Quy National Reserve.
- Due to the impact of climate change, there has been a shortage of water for agriculture and aquaculture. Extreme weather condition such as droughts and flood have happened more due to heavy rainfall in lowland areas which cause river floods, riverbank erosion at different sections of Lam River, Ma River and Cung River.

Feedback on development and implementation of subproject in respective communes

- Consulted local people and authorities agreed with the development of the project in their locality given the project benefits for local economy and environment, particularly in improvement of irrigation and dyke infrastructure for agriculture and aquaculture development.
- The project would bring about some environmental, social risks and impacts, and minor, localized land acquisition impacts before construction and possibly temporary minor environmental and social impacts during construction. These impacts, and risks, will be mitigated with relevant and agreed measures.
- Provincial Project Management Board and local subproject owners should ensure all mitigation measures are implemented during the construction phase, to particularly minimize disturbances to the environment, and local livelihood activities. Where land acquisition is permanent acquired, compensation need to be made appropriately and timely for affected households - as per laws and regulations.
- Construction schedule should be arranged appropriately (at the end of the crops) to ensure next crop and agricultural production conditions of local people are not affected.
- The men in the project areas engage in temporary construction jobs (part-time/ casual) inside or outside their home commune. Contractors should be encouraged to use local labor for construction works under the project.
- The project should give priority support to people, especially vulnerable people, to provide them opportunities to improve their livelihoods and enhance their capacity to adapt better to

the potential climate change impacts – through new training knowledge, relevant capacity building, and market access, and so forth.

- Given the above consultation, all local authorities and people consulted provide overall support to the project implementation.

Feedback on desired project support

- On potential project benefits, some farmers have expressed their aspiration for project support in changing their crops: from rice production to cash crop cultivation (e.g. cucumber, cantaloupe). They also expect the project would provide loans, and transfer of technology for greenhouse farming (for Thanh Hoa), support in smallholder farming model under forest tree canopy (for Nghe An), and assist them to market for potential crops such as cucumber. Overall, smallholder farmers have a high need for loan to support them in improving agricultural production.

The project is considering the initial investment proposals of project stakeholders during project design as these proposals fit well under Output 3.1 and 3.2. It has not been yet determined if loan will be provided under the project. Once confirmed, project stakeholders who raise the loan need will be responded in the next round of consultations which may take place as part of project design, or during subproject design when the project starts implementation.

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex: Annex Secap Resettlement Action Framework Vietnam Crwis

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Climate Resilient and inclusive Water Infrastructure for Rural
Smallholders in Thanh Hoa and Nghe An Provinces (CRWIS)

RESETTLEMENT ACTION FRAMEWORK

Version 3
(December 27, 2023)

Definitions

Resettlement Action Plan (RAP). A public document that specifies the procedures and actions to be undertaken to mitigate adverse effects related to land acquisition, economic displacement, resettlement, including compensation payment and livelihoods support. An RAP is recommended for a subproject with less than 200 affected people and involve no physical resettlement.

Cut-off date. The cut-off date is the date when the Notice of Land Acquisition is officially released and sent to all identified project affected households (as per (by Article 67.1 of Land Law 2013). With this cut-off day being established, people who encroach upon the project area after the cut-off date are not entitled to compensation, or any form of resettlement assistance.

Disadvantaged individuals/groups. Refers to individuals or groups who, due to certain own circumstances such as their age, gender, disabilities, health, economic and ethnic status, and so forth, are more likely affected adversely by the project impacts and/or more limited in their ability to take advantage of project benefits. Disadvantaged individuals/groups are more likely excluded from, or unable to participate fully in the mainstream consultation process and may require specific assistance to promote inclusion.

In this project, disadvantaged individuals/ groups are defined as those who have the following characteristics: i) from an ethnic minority group, (ii) female headed household with dependents, (iii) landless/ limited productive land, (iv) frequent lack of male labor at home (e.g. migrant workers); (v) jobless, or limited economic opportunities; (vi) family member(s) with chronic illness, or disabilities; (vii) elderlies who live on their own; (viii) people living in an especially difficult circumstance, and (ix) people don't meet above criteria but are concurred by local community as vulnerable to poverty and need project's support to reduce their vulnerability. It is noted that disadvantaged individuals are usually from a poor, or a near-poor household.

Economic displacement. Implies the loss or disturbance of land or assets, and includes restrictions on access to assets, income sources, livelihoods and assistance to vulnerable groups. For IFAD's Standard 7, economic displacement can either be agreed or involuntary. Economic displacement can be agreed or involuntary; these two scenarios have very different implications for IFAD. Economic displacement includes the conversion of grazing land into cropland or restricted-use protected areas. Also see definition on Involuntary physical resettlement and economic displacement and Voluntary physical resettlement and economic displacement.

Entitlements. Refers to a range of measures comprising compensation payment for loss of assets, resettlement assistance, income restoration and other non-financial support for physical relocation and livelihood restoration, etc. which are due to the AHs, depending on the type and severity of their losses, to restore their economic and social base.

Forced eviction: The permanent or temporary removal of individuals, families or communities from the homes or land they occupy against their will and without access to legal or other protection (adapted from Office of the United Nations High Commissioner for Human Rights, 2014).

Income Restoration. Improve, or at least restore, the livelihoods of all persons displaced by the Project through: (i) where possible, land-based resettlement strategies when affected livelihoods are land-based or where land is collectively owned; or cash compensation at replacement cost for land, including transitional costs, when the loss of land does not undermine livelihoods; (ii) prompt replacement of assets with assets of equal or higher value; (iii) prompt compensation at full

replacement cost for assets that cannot be restored; and (iv) capacity building programs to support improved use of livelihood resources and enhance access to alternative sources of livelihood.

Indigenous Peoples. “Indigenous Peoples” are defined by IFAD as follows:

- Priority in time, with respect to occupation and use of a specific territory;
- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
- Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
- An experience of subjugation, marginalization, dispossession, exclusion or discrimination.

Social and cultural groups identified according to these criteria might not be referred to as indigenous peoples in all countries. Terms such as “historically underserved local communities”, “people of African descent”, “indigenous ethnic minorities”, “tribal groups”, “hill tribes”, “aboriginals”, “vulnerable and marginalized groups”, “scheduled tribes”, “first nations” or “minority nationalities” may also be used. IFAD’s SECAP 2021 Standard 4 uses the term “indigenous peoples”, recognizing that different terminologies might be used in diverse national contexts.

Information Disclosure. The process of disseminating project information to stakeholders to allow them to understand the risks and impacts of the project, and potential opportunities. Documentation of the consultation process undertaken during project preparation along with FPIC implementation plans, IPP and indigenous peoples planning frameworks should be accessible and disclosed in a timely manner, in a place accessible to indigenous stakeholders and in a form and language understandable to them.

Inventory of losses. This is the process where all fixed assets (i.e. lands used for residence, commerce, agriculture, including ponds; dwelling units; stalls and shops; secondary structures, such as fences, tombs, wells; trees with commercial value; etc.) and sources of income and livelihood inside the Project’s area of land impact are identified, measured, their owner identified, their exact location pinpointed, and their replacement costs calculated.

Involuntary resettlement. Resettlement refers to the impact of physical displacement (relocation or loss of shelter) or economic displacement (loss of assets or access to assets leading to a loss of livelihood) as a result of project-related land acquisition or restriction of access to natural resources. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement, even if compulsory acquisition is used only as a last resort following a negotiated process (adapted from World Bank, 2016 and EBRD, 2019).

Involuntary physical resettlement and economic displacement. Resettlement is considered to be involuntary when: (i) land is acquired through the application of state powers such as eminent domain; (ii) access is restricted in legally designated parks or protected areas; and (iii) public health or safety issues make resettlement unavoidable. Involuntary resettlement may cause long-term hardship, impoverishment, dilution of community institutions and social networks, and environmental damage unless appropriate compensation measures are agreed upon and carried out.

Land acquisition. All methods of obtaining land for projects, including purchase; expropriation of land and assets; acquisition of temporary or permanent access rights such as easements and rights of way; and establishment of restricted access to protected and other areas. Land acquisition may also include acquisition of unoccupied or unutilized land, whether or not the landholder relies upon the land for income or livelihood; repossession of public land that is used or occupied by individuals

or households; and project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to the earth, such as crops, buildings and other structures, and water bodies (EBRD, 2019).

Meaningful consultation. Two-way process that starts early and be carried out on a continual basis throughout the project cycle to adequately inform the affected persons of the project's potential adverse displacement impacts and proposed mitigation measures including resettlement options: a) Information on the nature and scope of the project; b) The scope of and reason for land acquisition and/or access restrictions, c) Resettlement objectives and entitlement matrix and resettlement options, d) The right of the displaced to participate in resettlement planning and implementation, e) An accessible grievance mechanism. Meaningful consultation also ensure that a) affected persons have the opportunity to influence resettlement plans, b) there is no coercion or intimidation and that affected persons can freely express their views early on and during implementation, c) gender-inclusive and tailored to needs of disadvantaged and vulnerable groups; and d) affected groups are able to monitor the RAP.

Negotiated settlements. A land acquisition process and outcome that help avoid expropriation and eliminate the need to use governmental authority to remove people involuntarily. Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or communities and by mitigating the risks of asymmetry of information and bargaining power.

Physical resettlement. refers to relocation due to loss of residential land or shelter. For IFAD's Standard 7, physical resettlement can either be agreed or involuntary. Physical resettlement can be agreed or involuntary; these two scenarios have very different implications for IFAD. Examples of physical resettlement includes residential land being converted into a reservoir, irrigated agriculture, real estate development, roads or protected areas. Resettlement is not restricted to physical relocation. Its economic and social impacts on affected people extend beyond loss of ownership, occupancy, or use, and include economic, social and cultural impacts. Other social and environmental impacts of investments are not addressed through this Standard and should be identified through environmental and social assessments. Also see definition on Involuntary physical resettlement and economic displacement and Voluntary physical resettlement and economic displacement.

Replacement Cost. Replacement cost is usually calculated as the fair market value of the asset plus transaction costs such as taxes, stamp duties, legal and notarization fees, registration fees, travel costs, interest accrued and any other such costs such as may be incurred as a result of the transaction or transfer of property. Depreciation of structures and assets is not to be considered when valuing compensation. Compensation at full replacement cost should be sufficient for the affected person to replace project-affected land, structures and other assets to the same or better standard in another location.

Where markets are active, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety.

The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. Planned compensation rates may be subject to updating where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.

Stakeholders. Parties interested in, potentially affected by or that influence project implementation. In the context of environmental, social and climate assessments, stakeholders may include: (i) donor agencies and government entities in the donor country; (ii) governments in the country of implementation; (iii) other bilateral multilateral donors; (iv) NGOs; and (v) civil society (adapted from United Nations Development Programme, 2017).

Severely affected households. Households who lose more than 15% (10% or more for poor/near poor/vulnerable/ethnic minority) more of their total production land, and/or have to relocate physically. Under CRWIS project, subproject that involve severely affected households will not be financed.

Voluntary physical resettlement and economic displacement. Refers to any resettlement not attributable to eminent domain or other forms of land acquisition backed by public powers of the state. The most important principles in voluntary acquisition are the “do no harm” principle and informed consent. Affected people must have the option to agree or disagree on their relocation, and the compensation for their losses. Informed consent implies that people have the choice to agree or disagree with land acquisition or land-use changes without adverse consequences imposed formally or informally by the state. Voluntary resettlement is only possible when the location of an investment is not fixed. For example, while the route of a rural road could be changed if a landowner objected, the area of a reservoir behind a dam is immutable. The former would allow for voluntary resettlement; the latter would not. Source: World Bank, *Involuntary Resettlement: Planning and Implementation in Development Projects* (2003). IFAD undertakes due diligence to confirm that any acquisitions and displacements are voluntary and not forced.

Vulnerable individuals/households. Group of affected persons who are likely to be more adversely affected by land acquisition than others and who are likely to have limited ability to re-establish their livelihoods or improve their status. Vulnerable persons are categorized as: (i) households living below the poverty rate as established by government’s regulation, including poor, and near-poor households; (ii) ethnic minority households, (iii) female headed households with dependents living below the poverty rate; (iv) household headed by an elderly person with no or limited means of support; (v) household headed by person with disability, or with members with disabilities, (vi) household with only one or two persons living in especially difficult circumstance, and (vii) social-policy households.

Abbreviation and Acronym

CRWIS	Climate Resilient and inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An Provinces
DLFDC	District Land Fund Development Center
DMS	Detailed Measurement Survey
EM	Ethnic Minority
FPIC	Free, Prior and Informed Consent
HH	Household
IFAD	International Fund for Agricultural Development
M&E	Monitoring and evaluation
PC	People's Committee
PPMU	Provincial Project Management Unit
PAH	Project affected household
PAP	Project affected person
RAP	Resettlement Action Plan
RAF	Resettlement Action Framework
SECAP	Social, Environmental and Climate Assessment Procedures
SEP	Stakeholder Engagement Plan

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1. INTRODUCTION

1.1 Project Overview

1.1.1 Project Rationale

The Government of Viet Nam (GoV) and IFAD agreed to finance and develop jointly the Climate Resilient and Inclusive Water Infrastructure for Rural Smallholders in Thanh Hoa and Nghe An Provinces (CRWIS). CRWIS will be implemented in the two provinces of Thanh Hoa and Nghe An focusing on renovating and upgrading irrigation, drainage and flood control infrastructure to support socio-economic development and respond to climate change. Improved irrigation builds smallholder farmers' resilience to both climate and market shocks by providing them opportunities to expand their businesses (higher productivity, diversification and lower risks) and take charge of their own development, thus contributing to food security, poverty reduction and environmental sustainability.

CRWIS project goal is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces". The Project Development Objective is to "Catalyse climate-informed water management for irrigation and flood control and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods."

This will be achieved through the three interlinked outcomes of: 1) Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure; 2) Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management; and 3) Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models.

1.1.2 Project Development Objective, Outcome and Outputs

The project goal is to "Strengthen climate resilience of water-insecure rural communities for inclusive and sustainable socio-economic development in Thanh Hoa and Nghe An provinces".

The Project Development Objective (PDO) is to "Catalyse climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure, and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable rural livelihoods."

This will be achieved through the three interlinked outcomes described below.

Outcome 1: Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure

- Output 1.1: Improved access to and efficiency of irrigation water for smallholders. The project will undertake the rehabilitation and modernization of pumping stations and concretised irrigation canals (I and II) to improve the efficient use of water and increase agricultural production by optimising the existing infrastructure and increasing their adaptive capacity to withstand climate risks. The project will coordinate and provide capacity development to Government-led rehabilitation programmes under NTP-NRD targeting on-farm irrigation canals (III and IV) and small-scale irrigation systems for improved farm level water management.
- Output 1.2: Improved prevention and control of floods, saline intrusion, coastal and river erosion in vulnerable coastal areas. The project will undertake the rehabilitation of critical

sections of river dikes to strengthen the protection of agricultural and residential lands against the impacts of floods, saline intrusion and coastal and river erosion.

- Output 1.3: Improved connectivity between communes and physical access to infrastructure, markets and services. The project will undertake the construction and rehabilitation of on-dike roads and access roads to pumping stations, to strengthen WUGs capacity for timely water management, facilitate maintenance and operation, improve connectivity between rural communes and provide better access to services and markets, and improved mobility of rural smallholders including women.

Outcome 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management

- Output 2.1: Improved capacity of water user groups for inclusive irrigation water management. The project will include gender-responsive capacity building of WUGs in sustainable and climate-informed community-led water management and maintenance of infrastructure.
- Output 2.2: Improved local institutional capacity and coordination mechanism for integrated, inclusive and climate-informed water management. The project will develop an operational plan for an inclusive institutional coordination mechanism on integrated water management, review and upgrade existing Climate Information Systems (CIS), update flood and drought risk maps at district and commune levels, build capacity of local institutions in data collection, analysis and provision of hydrometeorological information for agriculture. Specifically, the project will support women's empowerment in decision-making for water management and climate change action plan, and provide opportunities for increasing youth employability in existing and emerging labour markets around climate and water management.

Outcome 3: Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models

- Output 3.1: Improved smallholder farmers' productivity and resilience through upscaling of CSA knowledge. The project will undertake multi-stakeholder surveys to assess existing climate-adapted business models, identify profitable irrigated commodities for smallholders, establish Farmer Field Schools to upscale CSA technologies and practices. The project will specially target vulnerable smallholder farmers to pilot innovations and de-risk the adoption of improved agricultural models through targeted small-scale investments.
- Output 3.2: Increased smallholder farmers' income from facilitated business linkages with the private sector. The project will support the establishment of public-private-producers partnership (4P) platforms and the organisation of policy dialogues to strengthen business linkages among value chain actors, aimed at providing timely agrometeorological advisory services to smallholders and sustainable market opportunities for their produce.

1.2 Potential Scope of Civil Works

By this stage, a total of 68 irrigation works are being considered for financing in two provinces. Of the 68 works, 60 works are located in Nghe An and 8 works are in Thanh Hoa. Most of these works are proposed for rehabilitation/repair within existing alignment (about 120 km in Thanh Hoa and 57km in Nghe An). Thus, no additional land acquisition is envisaged for this type of repair. However, some minor, linear land acquisition are anticipated for a small number of subprojects, as follows:

New construction/extension of irrigation canals (anticipated for 3 subprojects of out of total 68 subprojects, located in Thanh Chương, Nam Dan, and Hung Nguyen district of Nghe An province): Construction of new, short sections of main canals are anticipated. These new canals are typically small (60-80 cm in outer width and are 80-350 m in length for each subproject). Construction of these short canals would require minor acquisition – from either public or private land, or both. For affected private land, impact is anticipated to be small at household level due to linear impact (less than 10% of total productive land per household). As land acquisition potentially takes place in irrigated area, no physical resettlement is envisaged.

Rehabilitation of water pumping stations: 6 new pumping stations (out of total 60) will be built in new, public land in Thanh Hoa. New pumping stations that may require from 100-300 m² of land which will be located in the public area. No private land will be acquired for building new pumping stations. No physical resettlement is envisaged. Of the remaining 54 pumping stations, 20 new pumping stations will be built on within existing premise, 29 will be upgraded within existing premise, and 5 will be repaired within existing premise.

Upgrade of dykes in Thanh Hoa. The dykes provide flood-protection to the nearby command area and production area. Dykes also function as access roads. No extension of dyke length is anticipated. The rehabilitation of the dykes, which includes laying additional layer on existing road and structural reinforcement of some dyke sections avoid road section with houses. No physical resettlement is envisaged. During construction, the drainage of existing aquaculture ponds owned by local people may be required to facilitate dyke rehabilitation (even when construction is carried out during the low season or off-season for aquaculture production). Thus, temporary economic displacement for some aquaculture households are anticipated (number of households are unknown at this stage pending for completion of feasibility study and detained engineering design).

1.3 Land Impacts

1.3.1 Potential scope of impacts

Economic displacement is anticipated due to construction activities that are planned under Component 1 – as described below. It is noted that activities under Component 2 are of technical assistance or in-kind support to agriculture activities along the value chain. The type of activities identified under Component 2 will not cause any economic displacement due to land impact.

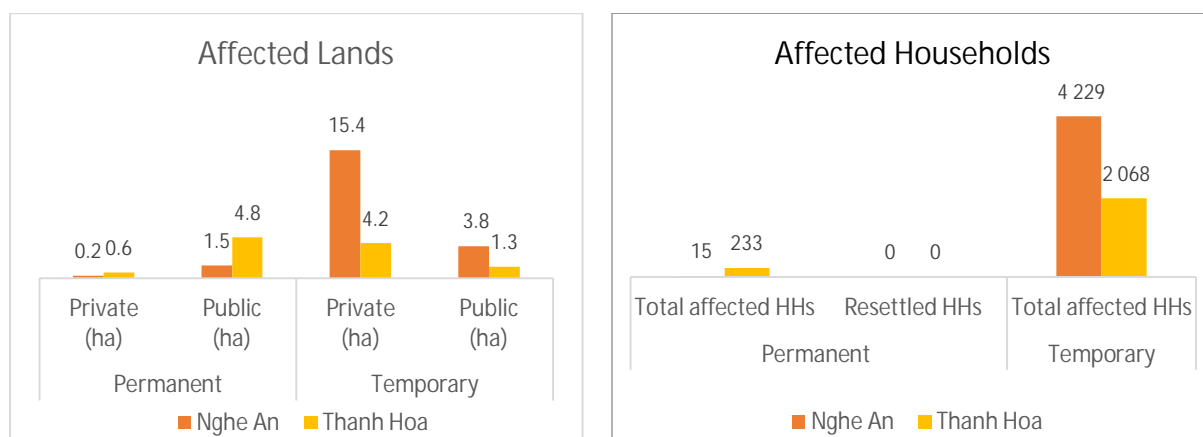
- *Economic displacement.*

Permanent land acquisition. The project activities will cause economic displacement – due to permanent acquisition of land to rehabilitate existing main canal/secondary canal, build new, short secondary canal sections under a few subprojects (to be confirmed at a later stage). These impacts are anticipated to be minor at household level due to the nature and scope of the rehabilitation works. Construction of some pumping stations will be on public land in command area. Thus, no private land is required.

Temporary land impact. During construction stage, contractors may need certain plots of land for establishing workers camp, storing equipment, and stockpiling construction materials. When this is the case, public land will be used to avoid affecting land of local people. In case public land is not available and private land is needed, contractors will negotiate with local people who own the required land to rent from local people. In the rural context, the renting of land for a few months or so is an income generating opportunity for local people. Local people can deny renting land if negotiation with contractors fail. During construction process, it is envisaged that some households may face economic displacement due to temporary loss of irrigation access, and/or impact on

aquaculture activities (in Thanh Hoa province). During construction, some local shops and business might be affected temporary due to restricted access (for customers) or dust and noise generated during construction.

It is estimated that 0.8 ha of land would be acquired permanently, affecting an estimated 248 households. These impacts are anticipated minor at household level due to linear land impact (canal rehabilitation). Temporary land impact is anticipated to be 19.6 ha for estimated 6,297 households and could be substantial reduced through contractor's construction measures (See summary in table below).



- *Physical resettlement.*

Based on the nature and scope of the work proposed by two provinces, no physical resettlement is envisaged. The project's ESCMF has an Exclusion List that specifies that subprojects that involve physical resettlement of any households will not be eligible for project financing.

The above estimation is based on (a) list of proposed subprojects submitted by two provinces, b) nature and potential scope of work in the proposed list, c) provincial land impact estimation, d) selective site visits by the IFAD design mission team in November 2023, e) consultations with communities, commune administration, and consultations with provincial administration, and f) Exclusion List in project's ESCMF.

1.3.2 Potential affected people

Individuals and households who may be affected permanently and temporarily may include (a) farmers whose crop plots or aquaculture ponds are adjacent to or transected by pumping stations, canals, dykes, and/or roads; (b) people living in houses that are adjacent to pumping stations, canals, dykes, and/or roads; (c) users of dykes and roads identified for upgrade, and users of all roads adjacent to pumping stations and canals whose access might be restricted or disrupted due to construction activities.

It is important to note that the number of PAPs cannot be determined ahead of early implementation or implementation for several reasons. The final selection of project activities, through a feasibility study, that will determine the nature, location, and magnitude of these risks and impacts has not occurred. For Component 2, the final selection of activities will depend on approval by grant funders (such as, potentially, the Adaptation Fund) and elaboration of activities and the extent of impact is context specific and can only be assessed during FPIC and project stakeholder engagement.

1.4 Mitigation Measures

An FPIC Implementation Plan is prepared to guide the FPIC process during project implementation and Resettlement Action Plan for site-specific subproject will be prepared in accordance with this Resettlement Action Plan to address the permanent and temporary land impacts, including temporary restricted water use, if any, through compensation payment. Severe impacts, including permanent loss of more than 15 % of total productive land per household. Physical resettlement is not anticipated based on the proposed nature and scope of work, and will be avoided through alternative design (see Exclusion List below).

1.4.1 Exclusion List

Under CRWIS project, subprojects that involve the following will not be financed:

- Subproject that physically relocate any household;
- Subproject that require permanent acquisition of the land under traditional or customary use by ethnic minority peoples.
- Subprojects that require permanent acquisition of more than 15 percent of total productive land of any individual household, or more than 10 percent for any ethnic minority households, and/or households classified as poor, or near-poor households by the time of preparation of Resettlement Action Plan.

1.4.2 Mitigation Measures for permanent land impacts

Permanent land impact will be mitigated through the following hierarchy:

- Permanent land will be anticipated based on engineering design, and will be avoided through alternative design options.
- Where avoidance is not possible, permanent land impacts are minimized or reduced to acceptable levels;
- Once minimized or reduced, if land impact remain, compensate for loss of affected land and economic displacement using measures proposed in this document.

1.4.3 Mitigation Measures for temporary impacts

The following measures will be adopted to minimize temporary economic displacement during project construction.

- *Restricted irrigation access.* These risks are anticipated because construction may require water disconnection at certain locations of the irrigation system to allow construction activities. This risk will be minimized by having construction conducted mainly during dry season (when water availability is limited and farming activities are scaled down). In addition, Contractors are required to apply appropriate construction methods to maintain irrigation access (e.g. through detour canals) to avoid/minimize unintended restriction of irrigation access.
- *Potential temporary impact on aquaculture production* (for dyke rehabilitation in Thanh Hoa). It has not been confirmed if the such impact is likely since feasibility study has not been available. Common way to minimize this potential impact include a) construction would commence when harvesting is completed, b) upscaling of aquaculture production is not encouraged, c) compensation at replacement cost to ensure no households are worsen off economically, d) construction is monitored to ensure the ponds are not adversely affected due to construction activities (e.g. pollution, contamination).
- *Temporary impact on local business (e.g. shops, restaurant) due to physical construction activities that cause air pollution, noise, and pose traffic safety....*These temporary impacts

will be managed through measures that contractors will propose and adopt based on site-specific Environmental and Social Management Plan.

1.5 Purpose of RAP

This RAP is prepared to provide guidance on how land acquisition should be carried out and how affected people shall be compensated and supported to restore their livelihood. In particular, this RAP establishes principles, eligibility criteria, entitlements matrix, grievance redress mechanism, monitoring and evaluation arrangement, implementation arrangements, and funding mechanisms that will be applied to subproject RAP(s) that will be prepared during project implementation. This RAP is prepared in compliance with the IFAD's SECAP Standard 7 on Physical and economic resettlement, Vietnam's pertinent laws and regulations, and current regulations related to compensation and support of Thanh Hoa and Nghe An People's Committees.

2. LEGAL FRAMEWORK

2.1 National Laws and Regulations

The following Laws and Decrees apply to land acquisition, compensation and resettlement in Vietnam:

- The Constitution of the Socialist Republic of Vietnam adopted in 2013.
- Land Law No.45/2013/QH13 adopted in 2013, effective on July 1, 2014.
- Decree No.01/2017/ND-CP, amending and supplementing a number of decrees detailing the implementation of the Land Law.
- Law on Public Investment No.49/2014/QH13, effective on January 01, 2015.
- Law on Complaint No.02/2011/QH13 dated November 11, 2011;
- Decree No.75/2012/ND-CP dated March 10, 2012 on specific provisions a number of articles of the Law on Complaints.
- Decree No.43/2014/ND-CP dated May 15, 2014 of the GOV on detailing a number of articles of Land Law No.45/2013/QH13.
- Decree No.44/2014/ND-CP dated May 15, 2014 of the GOV on land prices.
- Decree No.45/2014/ND-CP dated May 15, 2014 of the GOV on collection of land use levies.
- Decree No.46/2014/ND-CP dated May 15, 2014 of the GOV on collection of land rent and water surface rental.
- Decree No.47/2014/ND-CP dated May 15, 2014 of the GOV on compensation, support and resettlement upon land recovery by the State.
- Decree No.136/2015/ND-CP dated December 31, 2013 of the Government guiding the implementation of a number of articles of the Law on Public Investment.
- Decree No.99/2015/ND-CP dated October 20, 2015 of the Government detailing and guiding the implementation of a number of articles of the Housing Law.
- Decree No.16/2016/ND-CP dated March 16, 2016 of the Government and Circular No.12/2006/TT-BKHDT dated August 8, 2016 on management and use of official development support (ODA) and concessional loans from foreign donors.
- Circular No.30/2014/TT-BTNMT dated June 2, 2014 of MONRE regulating documents on land allocation, land lease, change of land use purpose, land acquisition.

- Circulars No.36/2014/TT-BTNMT dated June 30, 2014 of Ministry of Natural Resources and Environment on land pricing method; compilation of and adjustment to land price lists; determination of specific land prices and consultancy on land pricing.
- Circular No.37/2014/TT-BTNMT of the MONRE dated June 30, 2014 on compensation, support and resettlement upon land recovery by the State.
- Circular No.332/2016/TT-BTC dated December 26, 2016 on amending and supplementing Circular No.76/2014/TT-BTC dated June 16, 2014 of the Ministry of Finance guiding the implementation of Decree No.45/2014/ND-CP on collection of land use fees.
- Circular No. 33/2017/TT-BTNMT dated September 29, 2017 detailing the provisions of Government's Decree No. 01/2017/ND-CP dated January 6, 2017 which amends supplements a number of decrees detailing the implementation of the Land Law and amends and supplements a number of articles of circulars guiding the implementation of the Land Law.

Other relevant Laws, Decrees and Regulations:

- Construction Law No.50/2014/QH13 dated June 18, 2014 on construction activities, rights and obligations of organization and individual investing in civil works construction and construction activities;
- Decree No.91/2019/ND-CP dated November 19, 2019 on sanctioning of administrative violations in the field of land;
- Decree No.46/2015/ND-CP dated May 12, 2015 on quality management of construction works;
- Decree No.59/2015/ND-CP dated June 18, 2015 on management of construction investment projects;
- Decree No.126/2014/ND-CP dated December 31, 2014 on the implementation of the Law on Marriage and Family, stipulating that all papers registering property and land use rights must be in the name of both husband and wife;
- Decree No.11/2010/ND-CP dated February 24, 2010 of the Government stipulating the management and protection of road traffic infrastructure and Decree No.100/2013/ND-CP dated September 3, 2013 of the Government amending and supplementing a number of articles of Decree No.11/2010/ND-CP of February 24, 2010;
- Decree No.61/2015/ND-CP dated July 9, 2015 of the Government regulating policies on job creation support and National Fund for employment.

Decrees relevant to protection and preservation of cultural property:

- Decree No.98/2010/ND-CP detailing the regulations for implementation of some articles of the Law on Cultural Heritage and the Law on amending and supplementing some articles of the Law on Cultural Heritage requiring that sites currently recognized as cultural and historical vestiges, should be kept intact according to current legal regulations.

In addition, current relevant regulations of Thanh Hoa and Nghe An provinces will apply by the time of compensation payment:

- Decision No. 16/2023/QĐ-UBND, dated 20 April 2023, of Thanh Hoa Provincial People's Committee promulgating the detailed regulations on compensation, support and resettlement when the State acquires land in Thanh Hoa Province.
- Decision No. 11/2023/QĐ-UBND, dated 10 April 2023, of Thanh Hoa Provincial People's Committee on Promulgation of Unit Price for Construction of House,

- Decision No. 24/2022/QĐ-UBND (dated 14 February 2022) of Nghe An Provincial People's Committee promulgating the detailed regulations on compensation, support and resettlement when the State acquires land in Nghe An Province.

2.2 IFAD's Social, Environmental and Climate Assessment Procedures (SECAP)

The following IFAD' Standards are applied because of their relevance to this RAP. The applied Standards include:

- Standard 7: Physical and economic resettlement

FPIC should be obtained from all people potentially affected by resettlement to ensure that mitigation and benefit-sharing measures improve their livelihoods, and are appropriate and sustainable.

Voluntary resettlement refers to any resettlement not attributable to eminent domain or other forms of land acquisition backed by public powers of the state. The most important principles in voluntary acquisition are the "do no harm" principle and informed consent. Affected people must have the option to agree or disagree on their relocation, and the

2.2.1 Objectives

The objective of IFAD's Standard 7 are:

- Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring feasible alternative project designs and sites;
- Avoid forced eviction;
- Ensure that resettlement activities are planned and implemented collaboratively, with meaningful participation of those affected;
- Enhance and restore the livelihoods of all displaced people who may be affected by project activities; and
- Provide explicit guidance to borrower/recipient/partner on the conditions that need to be met regarding involuntary resettlement issues.

2.2.2 Requirements of Standard 7

The following requirements will be followed during project implementation:

Forced eviction.

- Forced evictions are prohibited in all IFAD-supported activities. Forced eviction is not the same as involuntary resettlement or the government's use of eminent domain. Forced eviction refers to as permanent or temporary removal of individuals, families or communities from the homes or land they occupy against their will and without access to legal or other protection.
- Any evictions associated with project activities must not be forced evictions, must be fully justified and carried out lawfully, and must only be carried out in exceptional circumstances for the purpose of promoting general public welfare. In such cases, evictions must: be reasonable and proportional; follow due process; be regulated to ensure full and fair compensation and rehabilitation; and be aligned with provisions of international human rights instruments and humanitarian law. The protection provided by this Standard applies to all affected persons and groups, irrespective of whether they hold title to home and property under domestic law.

Prior displacement.

- In case displacement has already occurred in anticipation of the project, an audit will be conducted to a) identify any deviations from this Standard created by past activities; and b) undertaken corrective actions to ensure compliance with this Standard. Time-bound corrective action plans should describe all activities required to attain compliance with this Standard, including budget, implementation arrangements, allocation of roles and responsibilities, and implementation schedule.

Avoidance and minimization of displacement.

- IFAD seeks to avoid involuntary resettlement or – when unavoidable – minimize involuntary resettlement by exploring feasible alternative project designs and sites. As part of the social and environmental assessment, IFAD requires:
 - Consideration of all feasible alternative measures to avoid displacement, including the “no action” option;
 - That when displacement cannot be avoided, the borrower/recipient/partner rely on experienced professionals to establish baseline information and design mitigation actions;
 - Public disclosure and timely dissemination⁹² of information, and a justification of the activities that will result in displacement;
 - That the borrower/recipient/partner inform affected individuals and communities of their rights under national laws and the countries’ international obligations, and provide them with access to legal counsel (public or private);
 - That borrowers/recipients/partners provide effective remedy for affected individual and communities; and
 - Public disclosure of a RAP at least 120 days prior to displacement.

Consideration of vulnerable groups.

The adverse impacts of physical and economic displacement can have disproportionate impacts on disadvantaged and vulnerable groups. Borrowers/recipients/partners must identify, assess and address adverse impacts on disadvantaged and vulnerable groups in the screening and assessment phase of the project cycle. This involves:

- Analysis through socio-economic surveys to determine critical vulnerability factors in the project area, in cooperation with stakeholders, including affected communities;
- Identifying vulnerable and disadvantaged individuals and groups based on the results of the vulnerability analysis
- Direct consultation with vulnerable groups; and
- Planning assistance activities tailored to the different needs of vulnerable groups describing these measures in the RAP and providing for their implementation and funding in the land acquisition and resettlement budget

Developing plans to enhance and restore livelihoods of affected persons.

When land acquisition or land-use restrictions (whether permanent or temporary) cannot be avoided, the borrower/recipient/partner is required to develop an action plan designed to enhance and restore the living standards and livelihoods of all affected persons to the pre-displacement level. Taking into account the full social and economic costs to displaced persons when there is physical displacement and economic displacement), such plans must:

- Establish eligibility criteria, cut-off dates, compensation and entitlements for all

- categories of affected persons;
- Provide: (i) fair and just compensation at full replacement cost prior to displacement (based on the cost of replacement at resettled sites and locations) for any losses of personal, real or other property or goods, noting that compensation and support may be collective in nature; (ii) transitional support (both financial and in-kind) based on reasonable estimates of the time required to restore and improve income earning capacity, production levels and living standards; and (iii) assistance with land development, credit facilities, direct benefits, training or employment opportunities, and expertise as needed (the combination of compensation, transitional support and assistance is aimed at enhancing and restoring displaced persons' pre-displacement productive capacity and earning potential); and
- Provide displaced individuals and communities with secure access to necessary services, shelter, food, water, energy, sanitation and community facilities.

Physical displacement

When programming activities involve physical displacement,

the action plan must:

- Specify the resettlement options chosen by displaced persons, respecting their preferences to relocate in pre-existing communities wherever possible, and documenting all transactions;
- Provide a choice of replacement property with secure tenure of higher value and better characteristics wherever possible⁹⁴ for those with formal land rights or recognizable claims (land-based resettlement strategies will be utilized when affected livelihoods are land-based or when land is collectively owned);
- Ensure that resettlement sites provide adequate housing with improved living conditions, necessary civic infrastructure and services (to be considered adequate, housing must meet the criteria of secure tenure); availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy; and
- For affected people without formal land rights or recognizable claims, compensate for loss of assets other than land (e.g. dwellings, other improvements) at full replacement cost, provide resettlement assistance in lieu of compensation for land sufficient to restore and improve living standards at an adequate alternative site, and provide arrangements for them to obtain adequate housing with security of tenure so they can resettle without risking forced eviction.

Economic displacement.

- Ensure that compensation covers all commercial losses (including the costs of transfer and re-establishing commercial activity, lost net income during transition lost employee wages and assets such as crops, irrigation infrastructure or other improvements to affected areas);
- Provide replacement property of improved value when legitimate tenure rights (both formal and informal) are restricted;
- Provide replacement agricultural sites of superior productive potential whenever possible, including through investments in increasing productivity (if replacement land and resources are unavailable, offer cash compensation at full replacement cost and support for alternative income with evidence of mutual agreement);
- Compensate economically displaced people who are without legally recognizable claims to land for lost assets other than land (e.g. crops, irrigation infrastructure, other improvements made to the land) at full replacement cost;
- Where displaced livelihoods are natural resource-based, offer replacement land and access to alternative resources with a combination of productive potential, locational advantage

and other factors, contributing to improved income potential and accessibility, whenever feasible

- Provide alternative income-earning opportunities and support if it is not possible to provide replacement land and resources; and
- If project activities restrict access to resources in legally designated parks, protected areas or other commonly held resources, establish a collaborative process with affected people to determine appropriate measures for improving affected livelihoods while maintaining the land's sustainability.

Grievance and redress.

- Borrowers/recipients/partners must ensure that an effective, accessible and culturally appropriate grievance redress mechanism is established to facilitate the resolution of concerns and complaints (e.g. compensation, relocation or livelihood restoration) by affected individuals

2.3 Comparison between Government's compensation policies and IFAD's approach

The table below highlight key differences between Government's compensation policies and IFAD's approach, and proposed key measures to address policy gaps.

Table 1 – Gap Analysis between IFAD Standard 7 and Government of Vietnam's Laws and Regulations

Subjects	IFAD Standard 7	Government of Vietnam	Project Measures
1. Land Property			
1.1. Policy objectives	PAPs (Project Affected Persons) should be assisted is to restore or enhance their livelihoods in real terms relative to pre-project levels	There is a provision of support to be considered by PPC to ensure they have a place to live, to stabilize their living and production. (Article 25 of Decree 47).	Livelihoods and income sources will be restored in real terms, at least, to the pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
1.2. Compensation for land and non-land assets of PAPs without LURC.	The protection must apply to all affected persons and groups, irrespective of whether they hold title to home and property under domestic law.	Land Law 2013, Article 77, item 2 and article 92: Persons who has used land before 1st July 2004 and directly be involved in agriculture production on the acquired land without LURC or illegalizable will be compensated for the acquired land area but not exceed quota of agricultural land allocation. But no compensation for non-land assets in the following cases: (i) the assets subject to the land recovery as stipulated in one of items a, b, d, đ, e, l, clause 1, article 64 and items b, d, clause 1, article 65 of the Land Law 2013; the assets created after the notification on land acquisition; and (iii) unused public infrastructures and other works.	Project affected people, without legal or recognisable legal claims to land acquired, who were in the project area prior to the cut-off date, will be equally entitled to participation in consultations and project benefit schemes, and be compensated for their lost non-land assets such as dwellings and structures occupied before cut-off date without deduction of salvageable materials. They will be entitled to resettlement assistance and other compensation and social support to assist them to improve or at least restore their pre-project living standards and income levels.
2. Compensation rate			
2.1. Compensation rates for land	Compensation for lost land, including secondary structures should be paid at full replacement costs without depreciation of structures and assets when valuing compensation	Compensation for affected land at prices specified by provincial rates	Independent appraiser identifies replacement costs for all types of assets affected to apply for compensation.
3. Grievance Redress Mechanism			
Grievance redress	The development and/or designation of the grievance mechanism should be part of the full, effective and meaningful consultation and participation processes and should be specified in any negotiated agreements.	Grievance redress mechanism follow Law on Complaint No.02/2011/QH13 (dated November 11, 2011) and Decree No.75/2012/ND-CP dated March 10, 2012.	An effective Grievance Redress Mechanism is established built on the existing governmental law and regulations. Affected ethnic minorities may lodge complaint verbally or in writing through the local EM leaders.

Subjects	IFAD Standard 7	Government of Vietnam	Project Measures
	GRM must be disclosed and explained to affected communities as early as possible and on a regular basis throughout the project cycle – special attention paid to accessibility for disadvantaged and vulnerable individuals or groups.		
4. Monitoring and Evaluation			
Monitoring and evaluation	<p>Description of the internal and external monitoring and evaluation arrangements.</p> <p>Monitoring indicators to measure inputs, outputs and outcomes for resettlement/ livelihood-restoration activities</p> <p>Reporting on implementation of the plan.</p>	<p>Citizens are allowed to supervise and report on breaches in land use and management on their own (or through representative organizations), including land recovery, compensation, support and resettlement (Article 199, Land Law 2013). There is no explicit requirements on monitoring of the resettlement works, especially independent (external) monitoring.</p>	<p>Internal monitoring and reporting will be maintained on a monthly basis and reported to the IFAD.</p> <p>Monitoring Indicators are proposed to facilitate internal monitoring.</p> <p>An end-of-project evaluation on the implementation of resettlement is required and report will be prepared to confirm whether the objectives of Standard 7 are achieved.</p>

3. PRINCIPLES, REQUIREMENTS, AND APPROACH

3.1 Implementation approach

During land acquisition and livelihood restoration process, the following principles shall be observed:

- Conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant;
- Avoid forced eviction;
- Mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting affected persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher;
- Improve the living conditions of poor and vulnerable/disadvantaged persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure where relevant;
- Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected;
- Keep the affected persons fully informed about the process of compensation and other mitigation activities, and their related rights and avenues for redress, in line with consultation procedures outlined in this RAP and the SEP, with particular attention to gender;
- For acquisition of land belonging to IPs, Standard 4 of the IFAD's SECAP will need to be followed;
- Conduct meaningful consultation with affected people to inform them of their right to compensation and project's compensation entitlements;
- Compensation rates for affected assets will be determined based on the replacement costs survey to be conducted by an independent price appraiser engaged by PMU;
- Compensation for affected lands, secondary structures, and trees will be made at full replacement costs without taking into account depreciation and deduction of the salvageable materials. Compensation for affected crops will be at full market prices;
- Compensation and allowance, where applicable, shall be provided in full to affected households prior to land acquisition.

3.2 Eligibility Criteria

3.2.1 Eligibility Criteria of Project Affected People

The following land use scenario are envisaged to be affected under civil work subprojects"

- i. People who have formal legal rights to land;
- ii. People who do not have formal legal rights to land when census survey begins but have claim to such land and/or assets and their claims are recognized, or recognizable under the national laws;
- iii. People who have formal legal rights to the land they are occupying/using.

Under this project, people under items (i) and (ii) are eligible for compensation and assistance for affected land. People under item (iii) will not be compensated for the affected land.

All people under items (i), (ii), and (iii) are compensated for affected assets attached to affected land, including support for land-based livelihoods. Compensation for affected land and assets will be paid at full replacement costs. If they need to relocate physically due to project, they will be supported with other assistance.

3.2.2 Cut-off date

The cut-off date (by Article 67.1 of Land Law 2013) is the date when the Notice of Land Acquisition was officially released and sent to all identified project affected households.

With this cut-off day established, people who encroach upon the project area after the cut-off date are not entitled to compensation payment, or any form of resettlement assistance.

3.3 Approach to Land Acquisition

Given the potential small scope of land impact, CRWIS will avoid Involuntary Resettlement (as per SECAP) and adopt Negotiated Settlement and Voluntary Resettlement approach.

Negotiated settlements. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people involuntarily. Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or communities and by mitigating the risks of asymmetry of information and bargaining power. Under this project, PMUs are encouraged to acquire land rights through negotiated settlements – wherever possible.

With negotiated settlement, provincial PMU should ensure that the negotiating process will not adversely affect the marginality and vulnerability of any affected persons due to the inherent powers of the acquiring agency. Provincial PMU should engage an independent external party to document the negotiation and settlement processes. The independent external party cannot be associated with the project in any past or present capacity.

Voluntary resettlement. Voluntary resettlement refers to any resettlement not attributable to eminent domain or other forms of land acquisition backed by national law and provincial regulations. The operative principles in voluntary acquisition are respect of the principle of “do no harm” and “informed consent”¹. It is noted that voluntary resettlement is only possible when the location of an investment is not fixed and affected people must have the option to agree or disagree with being relocated and/or on the sale or compensation and assistance measures for their losses. Informed consent implies that people have the choice to agree or disagree with the land acquisition or land-use change without adverse consequences imposed formally or informally by provincial/district authorities. IFAD will conduct a systematic due-diligence to confirm land acquisition and displacement were voluntary and not forced.

4. COMPENSATION AND SUPPORT

The compensation and support principles below shall apply to affected households – whether Negotiated Settlements, or Involuntary Resettlement, is adopted:

- Land (residential and agricultural purposes) will be compensated at replacement costs.
- Affected structures, including secondary structures will be compensated at replacement cost.

¹ Informed consent implies that people have the choice to agree or disagree with the land acquisition or land-use change without adverse consequences imposed formally or informally by the state.

- Trees will be compensated at replacement cost and crop at market prices. Where possible, AH will be allowed to harvest crops before permanent acquisition of land and/or before temporary use of the land for construction activities (e.g. construction of on-dyke road, workers' camp, material stockpiling...).
- Temporary loss of income generation activities during transition period will be supported through provision of allowances. Affected business who need relocation to a new site during construction time and plan to return to the original site upon construction completion will be supported for the temporary loss of income and transport during business relocation. Affected businesses are compensated irrespective of their business registration status (registered or not).
- Permanent loss of income due to project construction will be supported in terms of livelihood restoration based on the needs of affected households.

4.1 Compensation for Permanent Impact

a. Agricultural land:

AHs with formal right to affected land (with LURC or eligible for LURC)

Compensation will be made at full replacement costs.

AHs with no formal or customary rights to affected land

Compensation will not be paid for land but for trees/crops if they have been created before the cut-off date and cash assistance will be provided on the basis of land origin, land use history, reasons for ineligibility, and the time when the land was put into use.

In particular,

- No LURC, not violating the Land Law before 1 July 2014, and not eligible for a LURC
For land stably used before 1 July 2004, as prescribed at Item a and b, Clause 5, Article 20, Decree 43, AHs is financially supported at 100% agricultural land but not exceeding 10,000m² per household. Area exceeding the 10,000m²-quota will be financially supported only for the Remaining Land Investment Costs [*Item c, Clause 1, Article 21 of Decision 23*].
- No LURC, violating the Land Law (using public land, etc.) but no preventive action was made by local authority, financial assistance will be considered on the basis of the land use history
 - If households use agricultural land (claimed by themselves) as prescribed at Item 4, Article 22 of Decree 43, financial assistance is provided at 100% of the costs of agricultural land but supported area is not exceeding 10,000m² per household. Exceeding area, if any, will be financially assisted in terms of Remaining Land Investment Cost.
 - If households used the land as direct farming households before 15 October 1993, assistance will be provided at 100% cost of affected agricultural land, but not exceeding 10,000m² per household. Exceeding area, if any, is not financially assisted.
 - If current land is agricultural land and the household has used the land as direct farming household since 15 October 1993 to prior 1 July 2004, assistance will be provided at 80% costs of affected agricultural land, but not exceeding 10,000m² per household. Exceeding area, if any, is not financially assisted.
 - If current land is agricultural land and the household has used it from 1 July 2004 to prior 1 July 2014, assistance is not provided.

AHs with leased rights

- *AHs renting land managed by government*

Households who lease government-managed land (with annual rental payment, or a one-off rental payment for the entire lease period) will not be compensated for the affected land, but compensated for the Remaining Land Investment Cost which will be calculated on the basis of survey Affected assets on rental land including crops and/or structures will be compensated at full replacement costs if created before the cut-off date.

[Article 76 of the Land Law 2013, Article 8 of Decision No.23/2015/QĐ-UBND]

- *AHs leasing private-owned land for farming purpose:*

Households who rent private-owned land for agricultural purpose will not be compensated for land but for crops and structures, if any and created before the cut-off date, on the affected land at replacement costs. Compensation for affected land will be paid for the eligible land owner at replacement cost.

In addition to compensation for the affected land, vulnerable/social-policy households are provided with allowance, and eligible to participate in livelihoods restoration program, and provided with conditional bonus.

b. Compensation for secondary structures.

- *For affected secondary structure*, regardless of the legal status of the affected land and if the affected structure has been constructed before the cut-off date compensation will be paid at replacement costs for affected structure to construct new structure with similar technical standard, without depreciation and deduction of salvageable materials. For partially affected structure, in addition to compensation for affected part at replacement cost, compensation for expenses to repair the remaining part will be paid at rate with agreement of the affected household.

c. Impact on Standing Crops, Trees, and Aquaculture products:

For annual and perennial trees, standing crops, or aquaculture products, compensation in cash will be paid at full replacement cost, irrespective of the legal status of the land, and are in line with Article 90 of the Land Law 2013, and provincial regulations at the time of compensation planning and compensation.

d. Compensation for Graves.

The relocation of graves should be done on the basis of full consultation with the affected households to meet the customs and habits of affected households with regards to relocation of graves. Compensation payment for affected graves includes full costs associated with a) land for re-burial, b) excavation, c) relocation, d) reburial, e) construction of new tombs, and f) other reasonable related costs which are necessary to meet local customs and habits.

Land for relocation of all affected graves will be provided to the affected households - at a graveyard as designated by the District PC. Affected households will be informed of the location of this graveyard so that they can decide where to relocate the affected graves – to the designated graveyard, or to somewhere else in accordance with their customs and habits.

If the affected households decide to relocate the affected graves to the graveyard – as designated by the District PC, the land will be provided to all the affected graves at no costs to them. If they decide to relocate the affected graves on their own, the replacement cost for buying land will be compensated for.

In case owner of the affected graves could not be identified, public announcement have to be made (on TV, popular newspaper) for a number of times to look for the grave owners. Within a reasonable time, if grave owners could not show up, the relocation of graves should be done by a specialized

unit in consultation with the District Department of Health. The geographical location and status of the graves (with photos taken in details), the procedure of grave relocation, and the new location of the graves have to be documented carefully for the owner's use at a later time.

e. Compensation for Loss of Public Structures and Community Assets.

Where public structures such as schools, health centers, libraries or other cultural centers, recreational parks, public roads, water transmission pipelines, and electricity transmission lines are affected, such affected works will be restored, and repaired or compensated to ensure normal operation at no cost to the local community.

4.2 Compensation for Temporary Impact (during construction)

During the construction process, if local households outside the project area are affected temporarily as a result of the construction, the impact will be assessed and included in the updated Resettlement Action Plan. Depending on the nature of impact, compensation for the adverse impact will be compensated for, as follows:

a. Temporary impact on land/ local business:

- In case residential land without house/structure thereon is temporarily acquired during construction, the affected land will be compensated equal to the rent of such land in locality for the duration of temporary use. Upon return of affected land to affected people, the affected land must be restored to its pre-project condition – as agreed with the affected households.

- In case business activities of households are temporarily affected during construction due to civil contractors' construction activities, resulting in loss of income deriving from such business, the loss of income should be compensated for by the contractors the entire period of impact – as agreed with the affected households.

- Contractors will be informed of the RAP prepared for respective subprojects, and should explore alternative construction method to avoid temporary impact. If avoidance is not possible, contractors will compensate for the above temporary impact in accordance with the RAP. Temporary impact is subject to internal monitoring by PPMU (See Section 8 for monitoring requirements).

b. Compensation for damages caused by contractors to private or public structures.

Damaged property will be restored to its former condition by contractors, immediately upon completion of civil works. Under construction contracts, contractors will be required to take extreme care to avoid damaging property during their construction activities. Where damages occur, the contractor will be required to repair the damage or pay compensation to affected families, groups, communities, or government agencies at the same compensation rates as specified in relevant subproject's RAP.

c. Compensation for unpredictable impacts.

Any other impacts identified during project implementation will be compensated in accordance with the compensation principles and policies set forth in this RAF (Section 3), and in line with the IFAD's Standard 7 - Physical and Economic Resettlement.

4.3 Allowances

Besides the compensation for affected assets, AHs who are considered "vulnerable" – as defined under Definition section, will be provided with allowances to support them, if needed. The assistance levels will be determined by provincial PCs, taking into account inflation factor and price increase - as appropriate, at the time of resettlement implementation.

Allowances for Vulnerable Households:

- Poor households with certificate, or near-poor households, will be supported with an allowance. Allowance amount will be determined by the time of compensation payment.
- Female headed households with dependents and economic difficulties, households headed by a person with disability, or with members with disabilities, elderly without any source of support will be provided with an allowance per household. Allowance amount will be determined by the time of compensation payment.
- Affected households with heroic mothers, heroic armed force personnel, labor hero, war veterans, wounded or dead soldiers, will be provided with support as regulated by the Provincial PC. Allowance amount will be determined by the time of compensation payment.

Incentive Bonus:

- All affected households who hand the affected land over to local authority at the date as scheduled after receiving full compensation and allowances will be given an incentive bonus – as per provincial relevant regulation at the time of compensation payment. Bonus rate will be determined by Peoples' Committee of Thanh Hoa and Nghe An provinces, respectively – at the time of compensation payment.

5. IMPLEMENTATION ARRANGEMENTS

5.1 Procedures for Land Acquisition

As mentioned in Section 3.4 – Approach to Land Acquisition (above), depending on approach that will be taken by provincial PMUs (Negotiated Settlements, or Involuntary Resettlement), the following activities will be carried out:

5.1.1 Census Survey

A census survey (CS) will be carried out on the basis of the demarcation set up based on the approved technical design of the relevant subproject. The purpose of CS is to obtain derive list of affected individuals/households, type of affected assets (e.g. land, assets on land, business...), estimated number of affected land area, trees, crops, and type and scope of business that may be potentially affected. Given the small scope of land impact anticipated under the project, census survey and socioeconomic survey for affected households could be combined.

5.1.2 Detailed Measurement Survey

Detailed Measurement Survey (DMS) will be carried out by district Land Fund Development Center at respective district (LFDC) with the support of provincial PMU. Where a land database managed by district DONRE is available, DMS results will be checked vis-à-vis existing land database to confirm the legal status of the affected land. This assist the process of updating land record for the affected households (e.g. land titling) and DONRE's cadastral database.

5.1.3 Replacement Cost survey

Where land market is active, PMU will engage a qualified local consultant to conduct a Replacement Cost Survey (RCS). However, where market is not functioning actively, PMU (through its Project's District Project Team) work together with district DONRE to estimate prices for affected land, productive assets, replacement material and labor for construction of structures or other fixed assets, plus transaction costs. PMU may also engage a consultant specialized in price appraisal to assist PMU. The outcome of this exercise is the compensation rates for each type of affected assets

that can be applied to calculate compensation packages for affected households at replacement cost. Compensation rates proposed for use in calculation of compensation package is subject to review and concurrence by district Government and PMU.

The RCS will be carried out in parallel with the DMS exercise to save time. The agreement of AHs as to the proposed compensation package for them is confirmed. Errors found will be corrected during the consultation process. In case compensation payment to AHs is late and the compensation unit rates are no longer valid before commencing compensation, the RCS results will be updated to reflect the current market prices of the affected assets. Updating of RSC, if required, will be carried out by the RCS consultant.

5.1.4 Preparation of Resettlement Action Plan

Given the minor scope of land acquisition that are envisaged at subproject level, where land acquisition is inevitable, and the number of affected person is less than 200 people, an RAP for the relevant subproject.

As a minimum, a RAP should cover the following:

- Census survey of APs and affected assets;
- Description of compensation and other resettlement assistance to be provided;
- Consultations with affected people about alternatives;
- Institutional responsibility for implementation;
- Grievance redress mechanism;
- Monitoring and evaluation arrangements; and
- A timetable and budget.

5.2 Responsibilities

5.2.1 Provincial People's Committee

Provincial People's Committee will:

- Maintain oversight of the RAP preparation and implementation
- Provide guidance to relevant departments, District People's Committees, where required, to ensure effective and timely collaboration and coordination between these agencies in the preparation and implementation of site specific RAP.
- Ensure that compensation payment, physical resettlement and livelihoods restoration of affected households are implemented and monitored in accordance with this RAP.

5.2.2 Provincial Project Management Unit

Provincial PMU takes lead in all aspect of day-to-day RAP preparation and implementation. In particular, PMU will:

- Lead, provide necessary support/ guidance to district Land Fund Development Centers, particularly in preparing the RAP.
- Engage an independent consultant to document the negotiation and settlement processes for subproject RAPs.
- Sign service contract with DLFDCs for land acquisition in respect districts.
- Where required, provide training, repeat training if needed, to ensure DLFDCs understand the requirements of RAP.

- Engage independent external consultant to support PMU in conducting FPIC Implementation Plan and document a) FPIC process and results, b) Negotiated Settlement process and results, for relevant subprojects
- Submit documentation for FPIC result and /or Negotiated Settlement Documentation to IFAD for No-Object prior to land acquisition.

5.2.3 District People's Committee

District PCs will be responsible for:

- Issuing Notice of Land Acquisition and provide direction and support to district Land Fund Development Centers that prepare RPs.
- Adjusting or grant a new land use right certificate for the land to be acquired, and for relocated households.
- Resolving complaints related to land acquisition, if any, and provide compensation, support and resettlement in the district – within its mandate.
- Approving RAP to be carried out by district Land Fund Development Center

5.2.4 District Department of Natural Resources and Environment

District Department of Natural Resources and Environment (DONRE) will support PMU during the process of RAP preparation and implementation, particularly in sharing and updating government's cadastral map and land use database/record with district Land Fund Development Centers.

5.2.5 District Land Fund Development Centers

The District Land Fund Development Centers (DLFDC) will conduct census survey, detailed measurement survey, prepare and implement Resettlement Action Plan in accordance with requirements set forth in this RAP. In particular, DLFDC will design compensation and support package for each affected household, pay compensation and allowance, and provide other relevant support during RAP implementation process, including collaboration with complaints and commune and district People's Committees in resolution of complaints of affected households, particularly complaints related to results of detailed measurement survey, calculation of compensation and support allowance, compensation timing and methods, and so forth.

5.2.6 Commune People's Committee

Commune People's Committee where subproject is located is responsible for:

- Providing necessary support to DLFDC when DLFDC conducts works as described in Section 5.2.5 (above).
- Providing relevant information related to land use history related to affected households.
- Validating eligibility of affected persons and affected assets.
- Resolving complaints of affected people, and/or land disputes with the commune.
- Assisting DLFDC in organizing meetings with affected households, conducting public consultations, and/or socioeconomic survey for affected households during RAP preparation and implementation;
- Provide other relevant support, as necessary, to DLFDC and District PC.

5.3 Funding mechanisms

For permanent land impacts. All the costs related to compensation for permanent land acquisition and affected assets of land, and relevant support, if any, will be covered by respective Provincial

People's Committees. The provincial PCs will ensure annual budget plan is prepared by respect PPMU to ensure budget for compensation and support is timely planned, allocated and paid to affected household timely and appropriately to facilitate planned construction of the civil works. Temporary land impacts during

For temporary impacts. Temporary impacts that may arise due to contractor's construction – as described in Section 4.2 (Compensation for Temporary Impact during construction, will be covered by relevant contractors.

At time of preparation of RAP for relevant subprojects, the costs for RAP implementation will be estimated taking into account the costs as regulated by Provincial PC. The actual costs for RAP implementation at subproject level will be updated based on results of detailed measurement survey, replacement cost survey, and consultation with affected households prior to RAP implementation.

6. GRIEVANCE REDRESS PROCEDURE

According to IFAD's SECAP, the development and/or designation of the grievance mechanism for the project should be part of the full, effective and meaningful consultation and participation processes, and should be specified in any negotiated agreements. The GRM shall be disclosed and explained to affected households as early as possible and on a regular basis throughout the project cycle. Special attention paid shall be given to accessibility of project's GRM for disadvantaged and vulnerable individuals or groups, such as ethnic minority, poor, near-poor, female-headed households.

In line with the above, a grievance redress mechanism will be established to ensure complaints related to land acquisition could be conveniently lodged by complaints, or complaint's representative. Complainants can follow the steps below to lodge a complaints, and to follow the complaint resolution process. It is noted that the complainants has the right to bring the case to the court of law at any step they prefer – as per national law. It is noted during subproject preparation, this GRM will be disclosed and explained to all affected households. Where necessary, the standard GRM below could be updated for site-specific subproject to reflect the preference of affected households – as reflected in the process of FPIC conducted for such subprojects, and subsequent negotiated agreements.

First Stage – Commune People's Committee (CPC):

AHs may submit their complaint – either in written or verbal, to the One Door Unit of the Commune People's Committee. A member of the One Door Unit will receive the complaints and will notify the WPC leaders of the complaint. The Chairperson of the WPC will meet the complainant in person and will solve it within 15 days following the receipt of the complaint.

Second Stage - District People's Committee (DPC):

After 15 days since the submission of the complaints, if the aggrieved person does not have any response from the One Door Unit of the WPC, or if the aggrieved person is not satisfied with the decision taken on his/her complaint, the AHs may take the case, either in written or verbal, to the Reception Unit of District People's Committee. The District People's Committee will have 30 days since the date of receipt of the complaint to resolve the case. The District People's Committee will register all the complaints submitted and will inform resolution/assessment results. Aggrieved person may elevate the case to the Courts of Law if they wish.

Third Stage – Provincial People's Committee (PPC):

After 30 days, if the aggrieved AHs does not hear from the District PC, or if the AHs is not satisfied with the decision taken on his/her complaint, the AHs may escalate the case, either in writing or verbal, PPC, or lodge an administrative case with the District People's Court for resolution. The PPC will have 45 days to resolve the complaint to the satisfaction of all the concerned. The PPC secretariat is also responsible for registering all complaints that are submitted. Aggrieved person may elevate the case to the Courts of Law if they wish.

Final Stage - Courts of Law:

After 45 days following the submission of the complaint at PPC, if the aggrieved AHs does not hear from the PPC, or if AHs is not satisfied with the decision taken on his/her complaint, AHs may take the case to a Courts of Law for adjudication. Decision by the court will be the final decision.

Decision on solving the complaints must be sent to the aggrieved PAPs and concerned parties, and must be posted at the office of the People's Committee where the complaint is resolved. After 3 days, the decision/result on resolution must be made available at Commune level and after 7 days at the district level.

7. INFORMATION DISCLOSURE & STAKEHOLDER CONSULTATION

7.1 Stakeholder Consultation

IFAD requires that PPMUs of Thanh Hoa and Nghe An engage with people who are affected by physical resettlement and/or economic displacement by providing them with timely and accessible information related to project's compensation and support, consulting them to solicit their feedback during RAP planning and implementation.

During project design, consultation had been conducted with a total of 278 people (49% male, 51% female) in April, August and November 2023. Consulted people suggested that Provincial Project Management Board and local subproject owners should ensure all mitigation measures are implemented during the construction phase, to particularly minimize disturbances to the environment, and local livelihood activities. Where land acquisition is permanent acquired, compensation need to be made appropriately and timely to affected households - as per national laws and regulations.

During project implementation, any subproject that require permanent land acquisition from local people shall follow the guidance for FPIC consultation described in FPIC Implementation Plan (See particularly Section 4. Guiding principles for FPIC).

7.2 Arrangement for Information Disclosure and Stakeholder Consultation

During project preparation: This draft RAP will be disclosed on the websites of provincial PMUs of Thanh Hoa and Nghe An provinces for public consultation. The final RAP will be disclosed through the same channels, and on IFAD's website.

During project implementation: RAP prepared for relevant subprojects will be disclosed in Vietnamese at subproject level prior to RAP implementation.

8. MONITORING AND EVALUATION

8.1 Internal monitoring

The implementation of a subproject's Resettlement Action Plan will be monitored on a monthly basis by Social Officer of respective provincial PMU. The purpose of internal monthly monitoring is to ensure that the Project brings about intended benefits while ensuring that adverse land impact are avoided or minimized. In addition, periodic monitoring aim by PMUs aim to ensure preparation of RAP for subproject, and RAP implementation are carried out in accordance with the requirements set forth in this RAF. Depending on the scope of impact and type of impacts, various aspects of RAP implementation and implementation results will be monitored (See Annex 4 for suggestive monitoring indicators).

8.2 External monitoring

Since the scope of land acquisition is minor at subproject level and Provincial PMU shall engage an independent external party to document the negotiation and settlement processes, an external, independent monitoring service is not required.

Annexes

Annex 1 – Entitlements Matrix

Type of Impacts	Application	Entitlements	Implementation Arrangements
A. PERMANENT IMPACT			
1.AGRICULTURAL LAND	<p><i>Land users with LURC, or eligible for LURC</i></p> <p>Loss of land under 15% of total productive land of an individual households, and less than 10% for vulnerable households, the remaining area is still economically viable for use or meets expected personal yield.</p>	Compensation will be at full replacement costs	<p>PAP will be notified at least 90 days prior to land acquisition and receive compensation and allowances at the latest one month before land acquisition.</p> <p>The owner of land will hand over the land within 20 days since full compensation and allowances have been paid.</p>
	<i>Land users without formal or customary rights to land</i>	Compensation will not be paid but cash assistance will be provided - on the basis of land origin, land use history, reasons for un-eligibility, and the time when the land was put into use.	
	<i>Leased Right</i>	<ul style="list-style-type: none"> <i>PAP renting land managed by government</i> <p>No compensation for the affected land, but for the Remaining Land Investment Cost.</p> <p>Compensation paid at full replacement cost for affected assets (structures, crops, trees) on rental land if they have been created before the cut-off date.</p> <ul style="list-style-type: none"> <i>PAP renting private-owned land for farming purpose:</i> <p>Compensation for land at replacement cost for the landowner; Compensation for a) affected assets (structures, crops, trees) at replacement cost for the renter if the affected assets have been created before the cut-off date; and b) the remaining rental contract value.</p>	Remaining Land Investment Cost will be calculated on the basis of survey – in line with Article 76 of Land Law 2013.

Type of Impacts	Application	Entitlements	Implementation Arrangements
2. SECONDARY STRUCTURES		<i>Secondary structure such as fence, walls, gates that are affected will be compensated for at full replacement costs - regardless of the legal status of the affected land, houses, or structures.</i>	Replacement costs includes a) market cost of the materials to build a replacement structure with an area and quality similar, or better than those of the affected structure, or to repair a partially affected structure, b) the cost of transporting building materials to the construction site, c) the cost of any labor and contractors' fees. Affected structures shall be evaluated with regards to its value individually.
3. CROPS, TREES, AND AQUACULTURE PRODUCTS.	LURC, eligible and not eligible for LURC	For annual and perennial trees, standing crops, or aquaculture products, compensation in cash will be paid at full replacement cost, irrespective of the legal status of the land, and are in line with Article 90 of the Land Law 2013, and respective regulations of Provincial PC by the time of compensation payment. Movable crops such as orchard trees will not be compensated but transportation of the trees to new location is supported as specified by District LFDC. If replanting of trees in new location incurs costs, such full costs will be compensated for. Aquaculture that reaches harvest time by the time of land acquisition will not be compensated for.	<ul style="list-style-type: none"> • Calculation of compensation for crop is based on the highest productivity of one crop of the last 3 years. • Calculation of compensation for trees is based on age and diameter of the tree. • PAP has the right to use salvageable trees.
4. GRAVES		<p>Compensation payment for affected graves includes full costs associated with a) land for re-burial, b) excavation, c) relocation, d) reburial, e) construction of new tombs, and f) other reasonable related costs which are necessary to meet local customs and habits.</p> <p>Land for relocation of all affected graves will be provided at a graveyard designated by the District PC. In District graveyard is not available, compensation payment will cover costs for buying land for reburial.</p> <p>In case owner of the affected graves could not be identified, public announcement have to be made (on TV, popular newspaper) for a number of times to look for the grave owners. Within a reasonable time, if grave owners</p>	<p>The relocation of graves should be done on the basis of full consultation with the affected households to meet customs and habits of affected households.</p> <p>Affected households will be informed of the location of this graveyard so that they can decide where to relocate the affected graves (to the designated graveyard, or to somewhere else in accordance with their customs and habits).</p>

Type of Impacts	Application	Entitlements	Implementation Arrangements
		could not show up, the relocation of graves should be done by a specialized unit in consultation with the District Department of Health. The geographical location and status of the graves (with photos taken in details), the procedure of grave relocation, and the new location of the graves have to be documented carefully for the owner's use at a later time.	
5. PUBLIC STRUCTURES/ COMMUNITY ASSETS		Where public structures such as schools, health centres, libraries or other cultural centres, recreational parks, public roads, water transmission pipelines, and electricity transmission lines are affected, such affected works will be restored/repared to ensure normal operation at no cost to the local community.	
6. ALLOWANCES	Vulnerable Households	Female headed households with dependents and economic difficulties, households with disabled persons, elderly without any source of support, households from ethnic minority groups will be provided with an amount of allowance to be determined by Provincial PC. Relocating households with heroic mothers, heroic armed force personnel, labor hero, war veterans, wounded or dead soldiers, will be provided with support. Households with poor household certificate, or categorized as near-poor will be supported in cash with an amount of allowance to be determined by Provincial PC.	
	Incentive Bonus	All affected households who hand the affected land over to local authority at the date specified after receiving compensation payment and allowances will be given an incentive bonus. Bonus rate will be determined at the time of compensation payment.	
B. TEMPORARY IMPACTS			
7. TEMPORARY IMPACT ON LAND/ LOCAL BUSINESS		<ul style="list-style-type: none"> Temporarily affected land, including assets associated with affected land, will be compensated for - as agreed with the landowner. Upon return of affected land to local people, the affected land must be restored to its original condition – as agreed with the affected households. In case the construction affect temporarily the business activities of local households outside the project area, resulting in loss of income that derive from such business, loss of income should be compensated for the entire period of impact – as agreed with the affected households. 	Contractors will be informed of this RAP and should explore alternative construction method to avoid temporary impact. If avoidance is not possible, contractors will compensate for the above temporary impact in accordance with this RAP. Temporary impact is subject to both internal and external monitoring).

Type of Impacts	Application	Entitlements	Implementation Arrangements
8. Temporary loss of irrigation water access	Farmers who cannot grow their normal crops because of temporary loss of irrigation access during irrigation rehabilitation process	Financial support will be provided to affected households based on their actual loss of food and/or income	A livelihood assessment will be conducted for potentially affected farmers before construction starts. Detailed entitlements for affected households will be proposed in Resettlement Action Plan based on results of the assessment and consultation with affected people. Financial assistance for each affected household will ensure affected households are compensated at replacement cost principle to ensure people are not worsen off due to project intervention.
9.DAMAGES CAUSED BY CONTRACTORS		Damaged property will be restored to its former condition by contractors, immediately upon completion of civil works.	Contractors will be required to take extreme care to avoid damaging property during construction. Where damages occur, contractor will be required to repair damages or pay compensation to the affected families, groups, communities, or government agencies at the same compensation rates as specified under this RAP.
C. UNPREDICABLE IMPACTS DURING IMPLEMENTATION			
		Any other impacts identified during project implementation will be compensated in accordance with the compensation principles set for in this RAP and in line with IFAD's Standard 7.	

Annex 2 – Screening Form for Land Acquisition/ Resettlement

QUESTIONS	No	Yes	NOTES	MITIGATION MEASURES REQUIRED?
A. STRUCTURES OR RESOURCES THAT ARE LOCATED IN THE SUBPROJECT CONSTRUCTION AREA				
• Private houses	<input type="checkbox"/>	<input type="checkbox"/>		
• Private businesses/shops	<input type="checkbox"/>	<input type="checkbox"/>		
• Roads, footpaths or other access routes	<input type="checkbox"/>	<input type="checkbox"/>		
• Residential land	<input type="checkbox"/>	<input type="checkbox"/>		
• Agricultural land				
• Crops and/or trees on land				
• Natural resources shared by community members	<input type="checkbox"/>	<input type="checkbox"/>		
• Tombs, or other area/structures of religious or cultural significance	<input type="checkbox"/>	<input type="checkbox"/>		
• Others:	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>		
ADDITIONAL REMARKS: _____				
A. POTENTIAL SOCIAL IMPACTS				
• Temporary loss of land for any families?	<input type="checkbox"/>	<input type="checkbox"/>		
• Permanent loss of land for any families?	<input type="checkbox"/>	<input type="checkbox"/>		
• Conflicts in water use and related social conflicts?	<input type="checkbox"/>	<input type="checkbox"/>		
• Restricted access of people and animals to usual sites (farm, pasture...)?	<input type="checkbox"/>	<input type="checkbox"/>		
• Physical resettlement of people?	<input type="checkbox"/>	<input type="checkbox"/>		

QUESTIONS	No	Yes	NOTES	MITIGATION MEASURES REQUIRED?
• Potential social conflicts arising from land tenure and land use issues?	<input type="checkbox"/>	<input type="checkbox"/>		
• Other:	<input type="checkbox"/>	<input type="checkbox"/>		

B. _____

C. OTHER REMARKS:

D. POTENTIAL IMPACTS ON VULNERABLE GROUPS, IF ANY:

WILL THE SUBPROJECT:

• Affect poor, near-poor household (as defined by government?)	<input type="checkbox"/>	<input type="checkbox"/>		
• Affect female-headed households?	<input type="checkbox"/>	<input type="checkbox"/>		
• Affect ethnic minority people?	<input type="checkbox"/>	<input type="checkbox"/>		
• Affect other vulnerable groups?	<input type="checkbox"/>	<input type="checkbox"/>		

REMARKS:

QUESTIONS	No	Yes	NOTES	MITIGATION MEASURES REQUIRED?
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E. SIGNING OFF:

MEMBERS OF PMU TEAM:

NAME:
 POSITION:.....
 DATE:

NAME:
 POSITION:
 DATE:

Annex 3 – Outline for an Resettlement Action Plan

The scope of requirements and level of detail of the Resettlement Action Plan (RAP) vary with the magnitude and complexity of resettlement. The Resettlement Action Plan will include information on:

- Project Description
 - Scope of Land Acquisition
 - Socioeconomic Information of affected people
 - Eligibility, Entitlements, Assistance, and Benefits
 - Information Disclosure, Consultation, and Participation
 - Grievance Redress Mechanisms
 - Implementation Arrangements
 - Implementation Schedule
 - Monitoring and Reporting
 - Cost and Budget
- Annex (Performance Indicators. See Annex 4 of RAF)

Annex 4 – Performance Indicators for Monitoring and Evaluation of Resettlement Action Plans

Hierarchy of resettlement activities	Resettlement process	Indicators	Monitoring Frequency
INPUT	Budget commitment and availability Appointment of Social Officer on PMU Training of PMU's Social Specialist	<ul style="list-style-type: none"> Timely availability of budget for compensation payment Is appointment made after project appraisal completes. Timely availability of budget for compensation payment 	
ACTIVITIES/ PROCESS	Additional consultation with PAP	<ul style="list-style-type: none"> Is additional consultation with PAP carried out during RAP updating exercise? To which extent the consultation is conducted, covering the following key areas: <ul style="list-style-type: none"> Proposed replacement costs for affected assets; Proposed cash support for affected assets; Proposed income restoration activities are consulted with affected households/business 	
	Disclosure of final updated RAP	<ul style="list-style-type: none"> Is <u>updated RAP</u> disclosed locally at a subproject site following IFAD's No Objection; Is Project Information Booklet (PIB) delivered to affected households 	<ul style="list-style-type: none"> Following appraisal completion of the subproject;
OUTPUT	Compensation payment	<ul style="list-style-type: none"> % of households receiving full compensation package within agreed timeline? Total compensation and support made vs total amount committed. 	<ul style="list-style-type: none"> Monthly Quarterly
	<u>Grievances</u>	<ul style="list-style-type: none"> Number of grievances lodged (as monitored by PMU) per month Number of grievances solved per month Number of grievances submitted at district/provincial PMU office? Number of grievances submitted. 	<ul style="list-style-type: none"> Monthly Quarterly
	Income Restoration	<ul style="list-style-type: none"> Is Income Restoration carried out in accordance with the approved RAP – in terms of timeline and number of activities? 	<ul style="list-style-type: none"> Monthly Quarterly (following completion of compensation payment)
OUTCOME	Income Restoration	<ul style="list-style-type: none"> % of affected households restoring their Income to pre-project level) after six months 	<ul style="list-style-type: none"> Monthly Quarterly (monitoring started six

Hierarchy of resettlement activities	Resettlement process	Indicators	Monitoring Frequency
			months upon full completion of re-establishment of new businesses in the new location.

Annex 5 – Some photos during project design trip



Community managed pumping station identified for upgrade in Chau Nhan commune, Hung Nguyen District, Nghe An



Community managed pumping station in Lang Son commune, Anh Son District, Nghe An



Community managed pumping station identified for upgrade in Nam Dan Town, Nam Dan District, Nghe An



Irrigation canal potentially upgraded



Irrigation canal adjacent to roads and farmers' fields that will be repaired



Irrigation canal through residential area



Upgrade of dyke affecting aquaculture activities

Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex: Annex Secap Stakeholder Engagement Plan Vietnam Crwis

Mission Dates: 30 October - 17 November 2023

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Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

Climate Resilient and inclusive Water Infrastructure for rural
Smallholders in Thanh Hoa and Nghe An provinces (CRWIS)

STAKEHOLDER ENGAGEMENT PLAN

Version 2
(December 27, 2023)

Definitions

Affected Households (AHs). In the context of involuntary resettlement, AP are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically affected (loss of land, assets, access to assets, income sources, or means of livelihood) as a result of (i) land acquisition and involuntary resettlement; or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. In the case of AHs, it includes all members residing under one roof and operating as a single economic unit who is adversely affected by the project or any of its components. They can also be referred to as Displaced Persons. In this Resettlement Plan (RF), the term used will be "AH."

Disadvantaged individuals/groups. Refers to individuals or groups who, due to certain own circumstances such as their age, gender, disabilities, health, economic and ethnic status, and so forth, are more likely affected adversely by the project impacts and/or more limited in their ability to take advantage of project benefits. Disadvantaged individuals/groups are more likely excluded from, or unable to participate fully in the mainstream consultation process and may require specific assistance to promote inclusion.

In this project, disadvantaged individuals/ groups are defined as those who have the following characteristics: i) from an ethnic minority group, (ii) female headed household with dependents, (iii) landless/ limited productive land, (iv) frequent lack of male labor at home (e.g. migrant workers); (v) jobless, or limited economic opportunities; (vi) family member(s) with chronic illness, or disabilities; (vii) elderlies who live on their own; (viii) people living in an especially difficult circumstance, and (ix) people don't meet above criteria but are concurred by local community as vulnerable to poverty and need project's support to reduce their vulnerability. It is noted that disadvantaged individuals are usually from a poor, or a near-poor household.

Indigenous Peoples. "Indigenous Peoples" is defined by IFAD as follows:

- Priority in time, with respect to occupation and use of a specific territory;
- The voluntary perpetuation of cultural distinctiveness, which may include aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
- Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
- An experience of subjugation, marginalization, dispossession, exclusion or discrimination.

Information Disclosure. The process of disseminating project information to stakeholders to allow them to understand the risks and impacts of the project, and potential opportunities. Documentation of the consultation process undertaken during project preparation along with FPIC implementation plans, IPP and indigenous peoples planning frameworks should be accessible and disclosed in a timely manner, in a place accessible to indigenous stakeholders and in a form and language understandable to them.

Meaningful consultation. Two-way process that starts early and be carried out on a continual basis throughout the project cycle to adequately inform the affected persons of the project's potential adverse displacement impacts and proposed mitigation measures including resettlement options: a) Information on the nature and scope of the project; b) The scope of and reason for land acquisition and/or access restrictions, c) Resettlement objectives and entitlement matrix and resettlement options, d) The right of the displaced to participate in resettlement planning and implementation, e)

An accessible grievance mechanism. Meaningful consultation also ensure that a) affected persons have the opportunity to influence resettlement plans, b) there is no coercion or intimidation and that affected persons can freely express their views early on and during implementation, c) gender-inclusive and tailored to needs of disadvantaged and vulnerable groups; and d) affected groups are able to monitor the RP.

Stakeholders. Parties interested in, potentially affected by or that influence project implementation. In the context of environmental, social and climate assessments, stakeholders may include: (i) donor agencies and government entities in the donor country; (ii) governments in the country of implementation; (iii) other bilateral multilateral donors; (iv) NGOs; and (v) civil society (adapted from United Nations Development Programme, 2017).

Vulnerable individuals/Households/Group. Group of affected persons who are likely to be more adversely affected by land acquisition than others and who are likely to have limited ability to re-establish their livelihoods or improve their status. Vulnerable persons are categorized as: (i) households living below the poverty rate as established by government's regulation; (ii) elderly people headed households with no means of support; (iii) female headed households with dependents living below the poverty rate; (iv) disabled headed households, (v) landless poor living below the national poverty rate; and (vi) ethnic minorities (who often have traditional land rights but no formal titles).

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1. OBJECTIVE OF STAKEHOLDER ENGAGEMENT PLAN

The overall objective of this Stakeholder Engagement Plan (SEP) is to define a program for stakeholder engagement, including public information disclosure and consultation throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project activities or any activities related to the project.

The SEP also sets out institutional arrangements to ensure effective engagement of project's stakeholders during project implementation. The project recognizes that the voice of vulnerable groups are important to project design and implementation and will make effort to ensure identified vulnerable groups are not adversely affected disproportionately during project implementation (See Section 2.2 below). The SEP sets out plans to ensure vulnerable groups will provide timely and meaningful feedback to project during design and implementation, and that they could participate in monitoring the project's risks and impacts management process – through participatory monitoring of activities that may affect them.

2. STAKEHOLDER IDENTIFICATION AND ANALYSIS

2.1 Method

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- *Openness and life-cycle approach*: Public consultations for the project(s) will be arranged during the whole life cycle, carried out in an open and inclusive manner, free of external manipulation, interference, coercion, or intimidation.
- *Informed participation and feedback*: Information will be provided to and widely distributed among all stakeholders in an appropriate and accessible format; opportunities are provided for communicating stakeholder feedback, and for analyzing and addressing comments and concerns.
- *Inclusiveness and sensitivity*: Stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal and inclusive access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups that may be at risk of being left out of project benefits, particularly households from poor and near poor categories, women, the elderly, persons with disabilities, displaced persons, and migrant workers and communities, and the cultural sensitivities of ethnic minority groups.

2.2. Affected parties and other interested parties

Affected parties include local communities, community members, and other parties that may be subject to direct impacts from the Project. Specifically, the following individuals and groups fall within this category:

- **Affected Parties**: Persons, groups, and other entities within the project's Area of Influence that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.

- **Interested Parties:** Individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way.
- **Disadvantaged and Vulnerable Groups:** Persons who may be disproportionately impacted or further disadvantaged by the project(s) compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project. Under this project, disadvantaged and vulnerable groups include ethnic minorities, poor household, near-poor households, female-headed households, people with disability.

2.3 Stakeholder Analysis

Different project stakeholders will have different levels of interest in project activities. They may also have different level of influence on project design and implementation, and are affected differently by project activities. Target beneficiary groups from different cultural background may also have different level of interest in project activities and level of participation during project implementation. Therefore, it is important to understand a) the level of interest of each stakeholder as to project's investments, b) the magnitude of impact that the project may have on them, particularly those who are affected adversely, and c) level of influence that each stakeholder may have on project design, project implementation process, and project outcomes.

In the Stakeholder Analysis Matrix (Annex 2), based on the roles and responsibilities of key stakeholders as to project design and implementation, Annex 2 summarizes estimated static levels of interest, impact, and influence of each project stakeholder – as identified during project design. As shown in the Stakeholder Analysis Matrix (Annex 2), stakeholders that are highly influential to project design and project implementation process include a) central governmental agencies (particularly during project design and implementation), b) provincial and district governmental agencies (particularly during project implementation). It is noted that while project affected groups have high level of interest in project activities (because of the impact level that the project have on them), they seems to be less influential to project design, particularly for vulnerable groups, because of the role they plan in project implementation.

This analysis informs the design of overall stakeholder engagement plan for the project, particularly how the views of vulnerable groups are solicited, processed and incorporated into project design and implementation process.

3. STAKEHOLDER ENGAGEMENT PROGRAM

3.1. Summary of stakeholder engagement done during project preparation

Consultation schedule during project design

During project design, consultation has been conducted with a total of 278 local people who live in 15 potential project communes (out of total 53 potential project communes). Of the total 278 people consulted, 49% (136 people) are male and 51% (142 people) are female. There were 15 ethnic minority people (8 male, 7 female) in Chau Khe commune, Con Cuong district, Nghe An province, participating in the consultation. It is noted that of the total 53 potential project communes, Chau Khe commune is the only potential project location that have Ethnic Minority (EM) people present in the potential project's area of influence. These EM people account for 5% of total consulted participants (See Table 1 below).

Table 1 – List of communes with focus group discussions as part of FPIC process

No.	Date	Consulted people			Ethnicity	Communes	District	Provinces
		Male	Female	Total				
	April 2023							
1	13/4/2023	4	3	7	Kinh	Hoang Yen	Hoang Hoa	Thanh Hoa
2	13/4/2023	5	3	8	Kinh	Hoang Ngoc	Hoang Hoa	Thanh Hoa
3	14/4/2023	6	13	19	Kinh	Hoang Dong	Hoang Hoa	Thanh Hoa
4	14/4/2023	4	4	8	Kinh	Hoang Luu	Hoang Hoa	Thanh Hoa
5	14/4/2023	6	4	10	Kinh	Hoang Phu	Hoang Hoa	Thanh Hoa
6	17/4/2023	5	8	13	Kinh	Ha Tien	Ha Trung	Thanh Hoa
7	18/4/2023	4	3	7	Kinh	Ha Tan	Ha Trung	Thanh Hoa
	August 2023							
8	16/8/2023	5	6	11	5 Thai, 6 Kinh	Chau Khe	Con Cuong	Nghe An
9	17/8/2023	8	10	18	Kinh	Lang Son	Anh Son	Nghe An
10	18/8/2023	8	7	15	Kinh	Da Son	Do Luong	Nghe An
11	21/8/2023	7	5	12	Kinh	Thanh Ha	Thanh Chuong	Nghe An
12	22/8/2023	11	8	19	Kinh	Khanh Son	Nam Dan	Nghe An
13	23/8/2023	22	14	36	Kinh (2 FGDs)	Chau Nhan	Hung Nguyen	Nghe An
	Nov 2023							
14	4/11/2023	12	8	20	Kinh	Ha Giang	Ha Trung	Thanh Hoa
15	4/11/2023	11	8	19	Kinh	Ha Son	Ha Trung	Thanh Hoa
16	5/11/2023	3	9	12	Kinh	Hoang Luu	Hoang Hoa	Thanh Hoa
17	9/11/2023	6	3	9	Thai	Chau Khe	Con Cuong	Nghe An
18	10/11/2023	1	11	12	Kinh	Lang Son	Anh Son	Nghe An
19	11/11/2023	8	15	23	Kinh	Lam Son	Do Luong	Nghe An
		136	142	278				

In addition to consulting potential 278 potential beneficiary individuals at commune level, consultative meetings have been held with a total of 653 people in April, October, and November 2023. These persons represent various government agencies at central, provincial and district level such as Ministry of Agriculture and Rural Development (MARD), Ministry of Labour, Invalids, and Social Affairs (MOLISA), provincial DOLISA, Committee for Ethnic Minority Affairs (CEMA); national agricultural research services (Vietnam NARS), Women’s Union, Farmers’ Union, Youth’s Union, and some representing international organization such as the International Rice Research Institute (IRRI). Of this total, 33.3% are female and 66.6% of male participants (See list of meetings in Annex 3).

Information presented to the consulted people

During the consultations with 278 people (49% male, 51% female) conducted in 15 focus groups discussion in April, August and November 2023. The consultation meetings aimed to:

- Introduce the project development objectives, project activities, expected outcomes;
- Understand the development needs to local people in relation to proposed subproject in their respective commune, and overall project development objectives.
- Social and environmental risks and impacts that are likely associated with the proposed investment at respective communes being consulted These risks and impacts are identified and initially assessed in accordance with IFAD’s Social, Environmental and Climate Assessment Procedures (SECAP).

- Present key mitigation measures that are currently considered to address the above E&S risks and impacts, and proposed grievance redress mechanism.

Overall feedback from consulted people are:

Overall feedback on livelihoods and environmental condition of 15 consulted communes.

- Most households in the potential 53 project communes earn a living by agricultural and forestry activities including rice farming, fishing, aquaculture, forestry (growing forest trees, collecting bamboo shoots and woods, especially those in Con Cuong, Anh Son, Thanh Chuong districts of Nghe An province. A small number of households could make ends meet by providing tourism services (e.g., homestay). The youth tend to work in factories in the provinces or migrate to other provinces/ overseas. Some youth are engaged in vegetable farming.
- Inter-commune and inter-district roads are in good conditions. The environment in the project area is generally fresh and not polluted - except for some locations close by mining areas. There are a few key biodiversity area located near the project area, particularly Pu Mat National Park and Sen Tam Quy Natural Reserve, Lam River Basin and Ma River Basin. The project areas in Nghe An and Thanh Hoa located in Lam River Basin and Ma River Basin which are modified habitats and have been influenced by human activities for hundred years. Pu Mat National Park and Sen Tam Quy Natural Reserve are protected areas which are under stringent protection regulated by Vietnam's laws and regulations. To date, none CRWIS hamlets have been identified to be located in the buffer zones of Pu Mat National Park nor Sen Tam Quy National Reserve.
- Due to the impact of climate change, there has been a shortage of water for agriculture and aquaculture. Extreme weather condition such as droughts and flood have happened more due to heavy rainfall in lowland areas which cause river floods, riverbank erosion at different sections of Lam River, Ma River and Cung River. There is no mention about shortage of drinking water.

Feedback on development and implementation of subproject in respective communes

- Consulted local people and authorities agreed with the development of the project in their locality given the project benefits for local economy and environment, particularly in improvement of irrigation and dyke infrastructure for agriculture and aquaculture development.
- The project would bring about some environmental, social risks and impacts, and minor, localized land acquisition impacts before construction and possibly temporary minor environmental and social impacts during construction. These impacts, and risks, will be mitigated with relevant and agreed measures.
- Provincial Project Management Board and local subproject owners should ensure all mitigation measures are implemented during the construction phase, to particularly minimize disturbances to the environment, and local livelihood activities. Where land acquisition is permanent acquired, compensation need to be made appropriately and timely for affected households - as per laws and regulations.
- Construction schedule should be arranged appropriately (at the end of the crops) to ensure next crop and agricultural production conditions of local people are not affected.
- The men in the project areas engage in temporary construction jobs (part-time/ casual) inside or outside their home commune. Contractors should be encouraged to use local labor for construction works under the project.
- The project should give priority support to people, especially vulnerable people, to provide them opportunities to improve their livelihoods and enhance their capacity to adapt better to

the potential climate change impacts – through new training knowledge, relevant capacity building, and market access, and so forth.

- Given the above consultation, all local authorities and people consulted provide overall support to the project implementation.

Feedback on desired project support

- On potential project benefits, some farmers have expressed their aspiration for project support in changing their crops: from rice production to cash crop cultivation (e.g. cucumber, cantaloupe). They also expect the project would provide loans, and transfer of technology for greenhouse farming (for Thanh Hoa), support in smallholder farming model under forest tree canopy (for Nghe An), and assist them to market for potential crops such as cucumber. Overall, smallholder farmers have a high need for loan to support them in improving agricultural production.

3.2. Summary of project stakeholder needs and methods, tools, and techniques for stakeholder engagement

Key Groups of Stakeholders	Key characteristics	Language needs	Preferred means of notification	Specific Needs (accessibility, audio-visual aid, meeting time, venue)
AFFECTED GROUPS				
<i>A. BENEFICIARY GROUPS WHO ARE POOR & NEAR-POOR/VULNERABLE</i>				
1. Local farmers <i>CONSTRAINT</i> <ul style="list-style-type: none"> limited access to information 	<ul style="list-style-type: none"> Live in remote areas Ethnic minority group 	<ul style="list-style-type: none"> Local language (Vietnamese) Vietnamese language or EM language for EM people (e.g. Thai, Kho mu..) 	<ul style="list-style-type: none"> Home visit Leaflets Small group meeting at village level 	<ul style="list-style-type: none"> Public meetings organized at places conveniently accessible (e.g. village-level meeting hall..). Meeting time convenient for consulted participants, particularly mothers. Avoid peak season (e.g. crop establishment, harvesting season).
<i>B. BENEFICIARY GROUPS WHO ARE DISADVANTAGED</i>				
2. Beneficiary women	<ul style="list-style-type: none"> Limited asset (land, animals, house type) Limited home labor (e.g. seasonal migrant workers...) Limited job opportunity Have members with disability/ chronic disease Female-headed households, and Single mothers with dependent who may be busy with household work (e.g. childcare, cooking, 	<ul style="list-style-type: none"> Local indigenous language for Ethnic peoples Vietnamese for Vietnamese group 	<ul style="list-style-type: none"> Public loudspeaker Home visit Media campaign 	<ul style="list-style-type: none"> Meetings to be organized in small groups at places accessible and comfortable for them (e.g. community house, village houses, or at their own house). Meeting time convenient for them (not affecting their daily subsistence activities) Individual meeting may be required with female facilitator (for women-headed households and single mothers)

Key Groups of Stakeholders	Key characteristics	Language needs	Preferred means of notification	Specific Needs (accessibility, audio-visual aid, meeting time, venue)
	<p>income generation activities for daily subsistence</p> <ul style="list-style-type: none"> Very young parents with child(ren) 			<ul style="list-style-type: none"> Transport allowance provided if travel to meeting place affect their income generation
3. Ethnic minorities	<ul style="list-style-type: none"> Limited understanding and verbal communication in language other than their mother tongue (e.g. local EM language) 	<ul style="list-style-type: none"> Use of their mother tongue whenever possible to promote full understanding and information exchange/verbal communication 	<ul style="list-style-type: none"> Use of mother tongue in project information sharing sessions. Use of Vietnamese language for education, information, and communication materials 	<ul style="list-style-type: none"> Use of audio-visual means where needed, particularly for the target groups such as mothers and the elderlies. Meeting places should be convenient for the majority to access. Meeting time should be arranged during off-season and should be repeated for those who are absent (during cropping season).
4. People with disability	<ul style="list-style-type: none"> Could not travel to meeting places without support from their family members Hard of hearing Poor eye visuality/blindness Speak Vietnamese, or ethnic minority language only 	<ul style="list-style-type: none"> Ethnic minority (e.g. Thai for Chau Khe commune in Nghe An province), or Vietnamese language 	<ul style="list-style-type: none"> Home visit Appropriate means of communication based on their impairment(s) 	<ul style="list-style-type: none"> Use of sign language and other assistive tools, as required; Translation into local language if they are from ethnic minority groups; Providing transportation to the meeting venues; where possible, visit them at the home for planned consultation; Provision of sufficient time for internal decision-making process; Meeting timing and duration based are suitable to participants
C. BENEFICIARY GROUPS WHO ARE FROM NON-POOR GROUPS				
5. Ordinary farmers <i>CONSTRAINT</i>	<i>Ordinary people</i>			
<ul style="list-style-type: none"> Limited capacity in apply new farming technologies Difficulties in water use coordination at farm level Low yield 	<ul style="list-style-type: none"> This group is diversified in terms of means of livelihoods (e.g. farming, non-farm business, hired labor; wage workers, etc. 	<ul style="list-style-type: none"> Local indigenous language for ethnic peoples Vietnamese for Vietnamese group 	<ul style="list-style-type: none"> At workplace (health centers) Media campaign Leaflets 	<ul style="list-style-type: none"> Health centers and meeting hall Consultation to be conducted during work
INTERESTED GROUPS				

Key Groups of Stakeholders	Key characteristics	Language needs	Preferred means of notification	Specific Needs (accessibility, audio-visual aid, meeting time, venue)
<ul style="list-style-type: none"> • Government at central levels 	<ul style="list-style-type: none"> ▪ Have well established communication and correspondence system in place 	<ul style="list-style-type: none"> ▪ Vietnamese language 	<ul style="list-style-type: none"> ▪ Postal mail, emails, telephone 	<ul style="list-style-type: none"> ▪ Provision of relevant technical information, documents on proposed project investments/ plans/ proposals
<ul style="list-style-type: none"> • Government at provincial and district levels • Women's Union (e.g. gender relating training/activities, SEA/SH service providers) • Youth Union • NGOs • Media • Other development partners 	<ul style="list-style-type: none"> ▪ Have well established communication and correspondence system in place 	<ul style="list-style-type: none"> ▪ Vietnamese language 	<ul style="list-style-type: none"> ▪ Postal mail, emails, telephone 	<ul style="list-style-type: none"> ▪ Project leaflet ▪ Consultation meetings during project implementation ▪ Consultation meeting/project progress update during project implementation

3.3. Stakeholder Engagement Plan

This Stakeholder Engagement Plan focuses particularly on vulnerable/disadvantaged groups that are directly and adversely affected by project activities.

Target Stakeholders	Characteristics	Method of Consultation
Ethnic Minorities	<ul style="list-style-type: none"> ▪ Most speak their mother language daily ▪ May have limited Vietnamese language, particularly written language ▪ Shy and reluctant to speak in public meetings ▪ Limited mobility because of unfavorable road conditions, heavy household burden and farm work (for women) 	<ul style="list-style-type: none"> ▪ Focus group discussion ▪ Key informant interview
Women/ female headed households	<ul style="list-style-type: none"> ▪ May be shy and reluctant to speak in public meetings ▪ Limited mobility because of unfavorable road conditions, heavy household burden and farm work (for women), particularly for those whose husband works as hired workers (in construction) during off-season. 	<ul style="list-style-type: none"> ▪ Having small, focused, and short meetings where women will be comfortable asking questions or raising concerns; ▪ Meeting schedules that do not to interfere with domestic activities; ▪ Venues should be located close to their homes; ▪ Translation into local language; ▪ Meetings with female participants are facilitated by female facilitators. ▪ Separate meetings for female for particular gender-sensitive discussion
Elderlies	<ul style="list-style-type: none"> ▪ Slow and have difficulties traveling on their own ▪ Hard of hearing. ▪ EM speak their own native language only 	<ul style="list-style-type: none"> ▪ Providing transportation to the meeting venue; ▪ Time and duration of meetings based on the input of potential participants; ▪ Translation into local language; ▪ Separate meetings for the elderlies; ▪ Option of one-on-one interviews ▪ Meeting at their home
People with disability	<ul style="list-style-type: none"> ▪ Could not travel to meeting places without support from their family members ▪ Hard of hearing ▪ Poor eye visuality ▪ Speak native ethnic language only 	<ul style="list-style-type: none"> ▪ Use of sign language and other assistive tools, as required; ▪ Translation into local language if they are from ethnic minority groups; ▪ Providing transportation to the meeting venues including for the care giver (if required); where possible, visit them at the home for planned consultation; ▪ Provision of sufficient time for internal decision-making process; ▪ Meeting timing and duration based are suitable to participants

Figure 1 – Mainstreaming SEP requirements into meaningful consultation to prepare E&S instruments



4. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES

4.1. Resources

The provincial PMUs will be in charge of stakeholder engagement activities. PPMU will ensure adequate budget will be allocated for timely and necessary stakeholder engagement activities. PPMU will ensure adequate budget will be allocated toward stakeholder engagement (See Section 8 – Costs and Budgets), and engage consultants – at both levels, and ensure consultants directly involved in the design of each subproject carry out consultation with subproject stakeholders timely and appropriately, and using the stakeholder engagement approach set forth in this document.

The table below provides contact information of key environmental and social PPMU members that can be reached to provide comments, feedback, or raise questions about the project. In case there is change to the following personnel, this SEP will be updated to reflect new staff arrangements and will be disclosed through the same channel to keep project stakeholders informed. Changes will also be updated accordingly in material distributed for consultation.

Contact information	Project Director	Social Officer	Environmental Officer	GRM Focal Point
<i>Nghe An PMU</i>				
Name	Nguyen Dinh Hung	Nguyen Minh Xuyen	Nguyen Minh Xuyen	Trần Quốc Hoàn
Postal address	No. 8 Tran Huy Lieu, Vinh City, Nghe An province			
Email	nnptnt@nghean.gov.vn hungvptuna@gmail.com	nnptnt@nghean.gov.vn	nnptnt@nghean.gov.vn	nnptnt@nghean.gov.vn
Phone number	094 2004004	094 3665202	094 3665202	0912448833
<i>Thanh Hoa PMU</i>				
Name	Cao Bat Chi	Le Minh Hai	Loc Bat Tan	Nguyen Van Tung
Postal address	No. 06 Hac Thanh, Tan Son Ward, Thanh Hoa city, Thanh Hoa province			
Email	bannnthanhhhoa@gmail.com	bannnthanhhhoa@gmail.com	bannnthanhhhoa@gmail.com	bannnthanhhhoa@gmail.com
Phone number	0913 667286	091 5920968	094 1093111	0967 747 618

4.2. Management Functions and Responsibilities

PPMUs are responsible for carrying out stakeholder engagement activities. The Project Director, with the support of the Social Officer and Environmental Officer will leading and overseeing the implementation of the SEP during project implementation.

Under the guidance of the Project Director, Social Officer and Environmental Officer and relevant consultant will be responsible for:

- Leading and supervising the disclosure of information as per SEP;
- Leading and supervising organization of consultations as described in SEP;
- Establishing, maintaining, regularly updating the Project Grievance Logbook;
- Reviewing monthly monitoring reports provided by project contractors and consultants;
- Reporting regularly to the Project Director.

5. GRIEVANCE REDRESS MECHANISM

The main objective of the project-level GRM is to assist to resolve complaints and grievances in a timely, effective, and efficient manner that satisfies all parties involved. The project's GRM will be user friendly and easily accessible to project affected people.

5.1. Principles of GM

Under CRWIS project, the following principles are applied:

- Channels. Different channels are established to enable affected person to submit their grievances. Grievance can also be submitted to:
 - PPMU's email (response within 5 business days,);
 - Project staff (during meetings or during site visit);
 - Commune People's Committee**
- Forms. Grievances can be submitted in writing and verbally, and either directly by the affected

households, or by a person delegated by the complainant if they are sick, the elderly, or people with disabilities, or with vision or hearing impairment, etc. Anonymous complaints are accepted and confidentiality is kept.

- **Complainant can delegate a representative who act on their behalf.** Person lodging a grievance can ask assistance from their family or from individual that they trust to transcribe their complaint, and act as their representative to submit their complaint.
- **Disclosure.** GRM procedures are disclosed in public domain (e.g. websites of PPMU, at public notice board located at commune hall). GRM procedure will be explained to people attending consultation meetings.
- **Documentation.** A grievance logbook will be maintained at commune hall (subproject level) and at PPMU office (through PPMU focal point). A grievance logbook will be established and regularly updated/maintained at commune and PPMU levels.
- **Transparency.** The grievance procedures include steps, expected time frame grievance resolution for each step, notification to affected person, how decision is made, decision makers, mediation options, and
- Complaint will be acknowledged within 5 days from the date of complaint receipt. The unit in charge of complaint resolution will notify complainant upon complaint receipt and will initiate the complaint resolution process.
- **Appeal.** If the agency in charge does not resolve a grievance in a manner that is satisfactory to the affected person, a multistakeholder committee will be established (ad-hoc) to resolve the dismissed grievance – as an alternative for affected person going to court. If the grievance could not be resolved satisfactorily by the multistakeholder committee, the affected person may resort to the Court of Law
- **Monitoring.** All grievances received are recorded by PPMU GRM focal point, and are processed/resolved in a given timeframe, and are monitored by PPMU GRM focal point.
- Time-limit for grievance resolution is specified for each step.
- **Complainants bear no costs associated with the entire complaint resolution process.** Costs incurred as a result of grievance resolution will be borne by the project. However, if the complaints bring their case to the court of law as they wish, they will bear the costs associated with their lawsuit.

5.2. Procedures

5.2.1 Procedures related to Land Acquisition, Temporary Restricted Irrigation Access

First Stage – Commune People’s Committee (CPC):

AHs may submit their complaint – either in written or verbal, to the One Door Unit of the Commune People’s Committee. A member of the One Door Unit will receive the complaints and will notify the WPC leaders of the complaint. The Chairperson of the WPC will meet the complainant in person and will solve it within 15 days following the receipt of the complaint.

Second Stage - District People’s Committee (DPC):

After 15 days since the submission of the complaints, if the aggrieved person does not have any response from the One Door Unit of the WPC, or if the aggrieved person is not satisfied with the decision taken on his/her complaint, the AHs may take the case, either in written or verbal, to the Reception Unit of District People’s Committee. The District People’s Committee will have 30 days since the date of receipt of the complaint to resolve the case. The District People’s Committee will register all the complaints submitted

and will inform resolution/assessment results. Aggrieved person may elevate the case to the Courts of Law if they wish.

Third Stage – Provincial People's Committee (PPC):

After 30 days, if the aggrieved AHs does not hear from the District PC, or if the AHs is not satisfied with the decision taken on his/her complaint, the AHs may escalate the case, either in writing or verbal, PPC, or lodge an administrative case with the District People's Court for resolution. The PPC will have 45 days to resolve the complaint to the satisfaction of all the concerned. The PPC secretariat is also responsible for registering all complaints that are submitted. Aggrieved person may elevate the case to the Courts of Law if they wish.

Final Stage - Courts of Law:

After 45 days following the submission of the complaint at PPC, if the aggrieved AHs does not hear from the PPC, or if AHs is not satisfied with the decision taken on his/her complaint, AHs may take the case to a Courts of Law for adjudication. Decision by the court will be the final decision.

Decision on solving the complaints must be sent to the aggrieved PAPs and concerned parties, and must be posted at the office of the People's Committee where the complaint is resolved. After 3 days, the decision/result on resolution must be made available at Commune level and after 7 days at the district level.

5.2.2 Procedures for Resolving Complaints of Project Workers¹

First-time complaint

Complaint can be submitted to complainant's employer in writing or verbally, or to the court of law

- Personnel in charge of complaint resolution shall accept the complaint and notify the complainant in writing within 7 days from receipt of the complaint.
- Where necessary, dialogue with complainant will be held by personnel in charge of complaint resolution, to resolve the complaint.
- Complaint resolution decision will be sent to the complainant within 3 working days from the date of decision issuance.
- Resolution time for first-time complaint shall be no more than 30 days from complaint acceptance date, and shall not be more than 45 days for complicated case.
- In remote area, resolution time for first-time complaint shall be no more than 45 days from complaint acceptance date, and shall not be more than 60 days for complicated case.
- If complainant disagrees with first-time complaint resolution decision, they can make a second-time complaint or initiate a lawsuit within 30 days (45 days for complicated case) from the date the complaint resolution decision is issued.
- If complaint remains unsolved upon expiry of resolution time-limit, complainant can initiate a lawsuit.

¹ The term "project workers" refers to: (i) people employed or engaged directly by borrowers/recipients/ partners (including the project proponent and the project implementing agencies) to work specifically in relation to the project; (ii) people employed or engaged through third parties, such as contractors, subcontractors, brokers, agents or intermediaries, to perform production and/or service processes essential for a specific project activity without which the project cannot continue, regardless of location; (iii) people employed or engaged by the Borrower/recipient/partner's primary suppliers; and (iv) people employed or engaged in providing community labour as a contribution to the project and on a voluntary basis as an outcome of individual or community agreement. Project workers include full-time, part-time, temporary, seasonal and migrant workers.

Second -time complaint

Complaint can be submitted in writing to either Chief Labor Inspector of provincial DOLISA, or to the court of law

- Personnel in charge of complaint resolution shall accept complaint and notify the complainant in writing within 7 days from complaint receipt.
- Time duration for resolution of second-time complaint shall be no more than 45 days from the date of acceptance, and no more than 60 days from the date of complaint acceptance for complicated case.
- In remote area, resolution time shall not exceed 60 days from the acceptance date, and 90 days for complicated case.
- Second-time complaint resolution decision shall be sent to complainant within 3 days following the date of decision issuance.
- If complainant disagrees with second-time complaint resolution decision, they can initiate a lawsuit within 30 days from the date of issuing complaint resolution decision (45 days for remote area).

For complaints related to insurance:

- First-time complaint related to insurance such as social insurance, jobless insurance, health insurance shall be sent to complainant's employer who is responsible for first-time complaint resolution.
- Complainant can also submit first-time complaints to Director of Social Insurance at district or provincial level if they wish.
- Time duration for resolution of first-time complaint shall be no more than 30 days from the date of acceptance, and shall not exceed 45 days for complicated case.

5.2.3 Procedures for Grievances related to Gender Based Violence (GBV).

To avoid the risk of stigmatization, exacerbation of the mental/psychological harm and potential reprisal, the grievance mechanism shall have a different and sensitive approach to GBV related cases. Where such a case is reported, it should immediately be referred to the appropriate service providers, such as medical and psychological support, emergency accommodation, and any other necessary services. Data on GBV cases should not be collected through the grievance mechanism unless operators have been trained on the empathetic, non-judgmental, and confidential collection of these complaints. Only the nature of the complaint (what the complainant says in her/his own words) and additional demographic data, such as age and gender, can be collected as usual.

The GRM for GBV should:

- have multiple channels through which complaints can be registered; Allow safe and confidential reporting: survivors should be able to report SEA/SH without being identified publicly;
- protect information about a SEA/SH allegation, and in particular the identity of the survivor and those involved, at all times;
- log SEA/SH cases separately from other cases, and should not include identifiable information in a logbook. A separate coding system for names should be created and stored in a locked cabinet. The complaint logbook should also be stored in a different locked cabinet;
- only those having a role to play in the response to an allegation (i.e. GBV service providers) should receive case level information.

GBV complaint can be submitted verbally or in writing through Peoples' Committees at commune, district and provincial levels. GBV complaints can also be sent to PPMU via PPMU's GRM focal point by email or phone. GBV complaints are redressed based on the Law on Complaint 2011. Time limit for complaint resolution – from the date of acceptance, is 30 days for first-time complaint, and 45 days for second-time and third-time complaint. Complainant may bring the case to the court if the case remains unresolved

following the expiry of time-limit for complaint resolution. If they disagree with the complaint resolution decision, they can initiate a lawsuit to court of law within 30 days from the date of issuance of the complaint resolution decision. In remote area where travel is difficult, statute of limitation can be extended but cannot exceed 45 days. Complainant can initiate a lawsuit at any stage of the grievance resolution process.

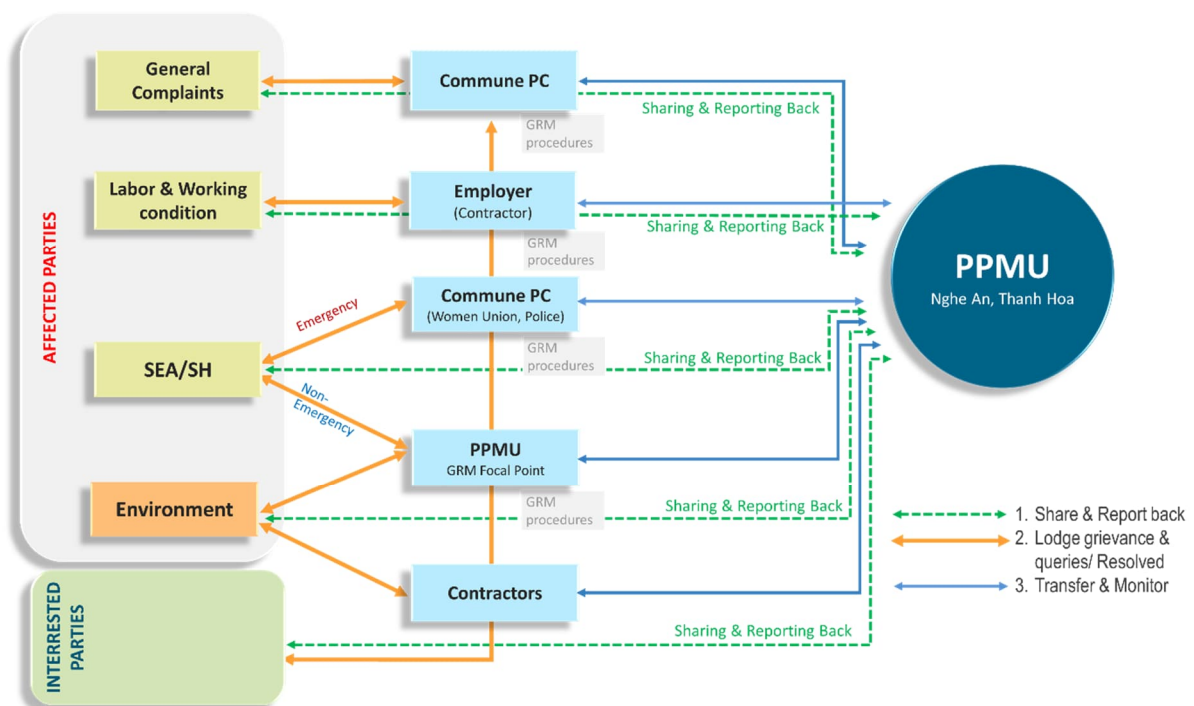
5.2.4 Procedure for General Complaints

In case individuals, households, or communities are affected by any other aspects, for instance, environmental impacts (e.g. dust, noise, or lack of safety measures that increase risks of traffic accident to road users or to local ethnic group), their complaints could be submitted through various channels that will be established for their convenient use, including people from ethnic minority groups. These include:

- PPMU's GRM focal point's telephone;
- Local EM leaders (in case affected individual/households are from EM group)
- PPMU's GRM focal point's dedicated phone: to report cases that they think PPMU can solve timely.

The procedures are summarized in figure below.

Figure 2 – Flowchart of Grievance Redress & Resolution



6. MONITORING AND REPORTING

6.1. Summary of how SEP implementation will be monitored and reported

The objective of internal monitoring of SEP implementation is to ensure activities set out in SEP is carried out timely and appropriately. Under the overall guidance of the Project Director, the Social and Environmental Officers of PPMU is responsible for monitoring activities described in this SEP. During

project implementation, the Social and Environmental Officers of PPMU will prepare quarterly internal monitoring reports for SEP activities.

Internal monitoring by PPMU will focus on:

- Level of understanding of the project and project objectives;
- Levels of impacts within expected parameters;
- Community feedback incorporated into project design and planning;
- Adequacy and success of implementation of mitigation measures;
- Main grievances, and efficacy of GRM;
- Overall community satisfaction;
- Type of information disclosed;
- Methods used for stakeholder engagement;
- Minutes of consultation meetings;
- Number of staff working on Stakeholder Engagement.

6.2. Reporting back to stakeholder groups

The SEP will be periodically revised and updated, where necessary, during the course of project implementation. Bi-annual summaries provided in the progress reports on public grievances, enquiries, and related incidents, together with the status of implementation of associated corrective/preventive actions, will be collated by Social and Environmental Officers and referred to the Project Director.

Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in various ways: a) reporting during consultation meetings, and b) summary in PPMUs' bi-annual progress report.

7. COSTS AND BUDGET

The actual costs of SEP implementation depend on the number and scope and activities to be carried out project implementation. The cost for SEP implementation will be estimated by PPMU annually for PPMU's budget planning purpose. Cost of SEP implementation will be covered by counterpart funding.

ANNEXES

Annex 1 – Template for Project Grievance Logbook

Village:.....; District:..... Provinces:.....

No.	Brief Description/ nature of grievance	Grievance applied by and contact detail or code (not mandatory)	Ethnic Group (e.g. Kinh, Thai...)	Date of grievance received	Grievance received by	Status of action taken		Action taken by	Remarks/ Explanation
						Solved or what action taken	Date of action completed or taken		

Annex 2 – Matrix of Stakeholder Analysis

Parties	Key stakeholders	Key functions related to project/ characteristics	Interest	Impact	Influence	
			High/ Medium / Low			
COMMUNITY LEVELS						
<i>Positively affected (including Disadvantaged/Vulnerable, Near-Poor, Poor, and Non-Poor)</i>						
<i>OUTCOME 1: Improved water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure</i>						
Affected parties (Community level)	<ul style="list-style-type: none"> Target farmers 	<ul style="list-style-type: none"> Intended project beneficiaries 	H	H	L	
	<ul style="list-style-type: none"> Female headed households 	<ul style="list-style-type: none"> Expected to participate in project planning and implementation cycles 	H	H	L	
	<ul style="list-style-type: none"> Ethnic Minority people 		H	H	L	
	<i>OUTCOME 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management</i>					
	<ul style="list-style-type: none"> Farmers affected due to water use conflict (with the same command area, during operation phase) 	<ul style="list-style-type: none"> Intended project beneficiaries Expected to participate in project planning and implementation cycles 	H	H	L	
	<ul style="list-style-type: none"> Governmental agencies such as DARD 	<ul style="list-style-type: none"> Improve capacity in terms of irrigation management, including maintenance & operations 	M	M	M	
	<i>Adversely affected individuals</i>					
	<ul style="list-style-type: none"> Individuals/ households permanently affected by land acquisition (e.g., for new canal, on-dike roads) 	<ul style="list-style-type: none"> Intended project beneficiaries 	H	H	L	
	<ul style="list-style-type: none"> Individuals/ households temporarily affected during construction (due to environmental impacts: air pollution, noise, limited access to farmland, houses...) 	<ul style="list-style-type: none"> May not be aware of project E&S risks and impacts Individuals prone to risk of exclusion may not have access to project's information (e.g., project benefits, activities, implementation program, eligibility...) and may be left out, or shy away. 	M	M	L	
	<ul style="list-style-type: none"> Vulnerable/ disadvantaged individuals and households who are prone to risk of exclusion from project's target group 		H	H	L	
<ul style="list-style-type: none"> Individuals/ households temporarily affected restricted access to irrigation water during construction 	<ul style="list-style-type: none"> Intended project beneficiaries 	H	H	L		

Parties	Key stakeholders	Key functions related to project/ characteristics	Interest	Impact	Influence
			High/ Medium / Low		
	<i>OUTCOME 2: Improved capacity of and coordination between local institutions and water user groups for climate-informed and inclusive water management</i>				
	<ul style="list-style-type: none"> Water user groups 	<ul style="list-style-type: none"> Work together as a group for optimum water management 	H	H	L
	<i>OUTCOME 3: Strengthened resilience of rural livelihoods through development of pro-poor and climate-adapted agricultural business models</i>				
	<ul style="list-style-type: none"> Smallholder farmers 	<ul style="list-style-type: none"> Improve farmers' adoption of improved agricultural models through targeted small-scale investments. Promoted haring knowledge on the use of organic inputs. 	H	H	L
Interested Parties	PUBLIC SECTOR				
	<i>Central-level authorities</i>				
	<ul style="list-style-type: none"> Ministry of Agriculture and Rural Development 	<ul style="list-style-type: none"> Lead and oversee the project implementation process, including monitoring and evaluation of project outcome and project impacts Prepare regular progress reports and maintain regular correspondence with the government and donors at the central level Develops capacity building strategy for staff involved in project implementation – at central, provincial, district and village levels. 	H	L	M
	<ul style="list-style-type: none"> Ministry of Planning and Investment (MPI) 	<ul style="list-style-type: none"> Provide comments/suggestions on project content, budget allocation, capacity assessment and development, arrange short-term and annual capital plans Submit to Prime Minister for approval of project proposal, project operational procedures for loan agreements 	H	H	H
	<ul style="list-style-type: none"> Ministry of Finance (MOF) 	<ul style="list-style-type: none"> Provide advice on financial mechanism for project implementation Preside the project negotiation and signing agreements with IFAD 	H	M	L
	<ul style="list-style-type: none"> Vietnam Women's Union 	<ul style="list-style-type: none"> Provide strategic advice to the project in terms of how to engage the participation of female beneficiary in first three project components, particularly mothers with children under five years of age. 	H	M	M

Parties	Key stakeholders	Key functions related to project/ characteristics	Interest	Impact	Influence
			High/ Medium / Low		
	<ul style="list-style-type: none"> Vietnam Youth's Union 	<ul style="list-style-type: none"> Provide strategic advice to the project in terms of how to engage the participation of youth beneficiary in project implementation, particularly under the first three project components. 	H	M	M
<i>Provincial and District authorities</i>					
	<ul style="list-style-type: none"> Department of Agriculture and Rural Development (DARD) 	<ul style="list-style-type: none"> Support activities at district level (as part of convergence program) 	H	L	L
	<ul style="list-style-type: none"> Department of Planning & Investment (DPI) 	<ul style="list-style-type: none"> Advise provincial PC in terms of project planning and investment 	H	L	L
	<ul style="list-style-type: none"> Department of Finance (DoF) 	<ul style="list-style-type: none"> Advise provincial PC in financial management 	H	L	L
	<ul style="list-style-type: none"> Department of Natural Resources and Environment (DONRE) 	<ul style="list-style-type: none"> Advise provincial PC and oversee environmental issues and use of natural resources 	H	L	L
	<ul style="list-style-type: none"> Department of Labor, Invalids and Social Affairs (DOLISA) 	<ul style="list-style-type: none"> Advise provincial PC and manage labor, and labor related issues (e.g., working conditions, health, and safety) 	H	L	L
	<ul style="list-style-type: none"> Provincial Farmers Union (PFU) 	<ul style="list-style-type: none"> Support farmers in increase farming activities, productivity, market, and value chain 	H	L	L
	<ul style="list-style-type: none"> Provincial and District Youth Union 	<ul style="list-style-type: none"> Provide implementation support and oversee the involvement and participation of District Youth's Union in promoting the participation of female project beneficiary members 	H	L	L
	<ul style="list-style-type: none"> Provincial and District Women Union 	<ul style="list-style-type: none"> Provide direct support in engagement and promote participation of female project beneficiary members in project implementation – in a manner that promote the voice and decision making of female members in subproject design and implementation, including participatory monitoring and evaluation 	H	L	L
	<ul style="list-style-type: none"> Provincial Committee of Ethnic Minorities (PCEN) 	<ul style="list-style-type: none"> Advise provincial PC and oversee issues related to EM 	M	L	M
	<ul style="list-style-type: none"> Department of Health (DH) 	<ul style="list-style-type: none"> Advise provincial PC and overall health, and health care management 	M	L	M
PRIVATE SECTOR/ NON—GOVERNMENTAL					
	<ul style="list-style-type: none"> Non-governmental organizations (JICA, UNDP, and IRRI) 	<ul style="list-style-type: none"> Provide comments/advice to the PPMU on community engagement/ participation/development support for disadvantaged groups 	M	L	L

Parties	Key stakeholders	Key functions related to project/ characteristics	Interest	Impact	Influence
			High/ Medium / Low		
	<ul style="list-style-type: none"> Private sector (companies, corporations) 	<ul style="list-style-type: none"> Provide project-related information to the public 	M	L	L
	<ul style="list-style-type: none"> Academia (university, institutes, etc.) 	<ul style="list-style-type: none"> Do research, provide advice and services related to environment and social assessment, consultation, E&S monitoring 	M	L	L
	<ul style="list-style-type: none"> Media 	<ul style="list-style-type: none"> Disseminate project related information to the general public 	M	L	
	<ul style="list-style-type: none"> Women's Union at provincial, district, and commune level 	<ul style="list-style-type: none"> Advise the project on specific GBV situation, GBV related services (counselling, shelters, first-aid...) available at provincial level on GBV issues Provide GBV support in emergencies for GBV survivors 	L	L	M

Annex 3 –Consultation with Interested Stakeholders during Project Design

No.	Date	Consulted people			Communes	District	Provinces	Central	
		Male	Female	Total				National	International
	April 2023								
1	11/4/2023	8	3	11			Thanh Hoa Project Preparation Unit		
2	11/4/2023	16	6	22			Thanh Hoa DARD		
3	12/4/2023	3	5	8			Thanh Hoa DONRE		
4	12/4/2023	6	4	10			Thanh Hoa Line Departements (DOF, DOIT, DOLISA, Committee of Ethnic minority, Women Union)		
5	13/4/2023	7	4	11		Hoang Hoa District	Thanh Hoa		
6	13/4/2023	5	2	7	Hoang Yen Commune	Hoang Hoa District	Thanh Hoa		
7	14/4/2023	5	3	8	Hoang Phu Commune	Hoang Hoa District	Thanh Hoa		
8	17/4/2023	9	2	11		Ha Trung District	Thanh Hoa		
9	17/4/2023	6	6	12	Ha Tien Commune	Ha Trung District	Thanh Hoa		
10	18/4/2023	4	3	7	Ha Tan Commune	Ha Trung District	Thanh Hoa		
	August 23								
11	14/8/2023	13	1	14			Nghe An Project Preparation Unit		
12	14/8/2023	17	8	25			Nghe An PPC and Departement lines		
13	15/8/2023	2	15	17			Nghe An DARD		
14	15/8/2023	1	9	10			Nghe An Irrigation Division, DARD		
15	15/8/2023	4	3	7			Nghe An DOLISA		
16	15/8/2023	10	2	12			Nghe An DONRE		
17	16/8/2023	8	5	13		Con Cuong	Nghe An		
18	16/8/2023	5	6	11	Chau Khe	Con Cuong	Nghe An		
19	17/8/2023	22	7	29		Anh Son	Nghe An		
20	17/8/2023	7	4	11	Lang Son	Anh Son	Nghe An		
21	18/8/2023	8	3	11		Do Luong	Nghe An		
22	18/8/2023	8	7	15	Da Son	Do Luong	Nghe An		
23	21/8/2023	11	4	15		Thanh Chuong	Nghe An		
24	21/8/2023	7	5	12	Thanh Ha	Thanh Chuong	Nghe An		
25	22/8/2023	10	4	14		Nam Dan	Nghe An		
26	22/8/2023	6	3	9	Khanh Son	Nam Dan	Nghe An		
27	23/8/2023	7	2	9		Hung Nguyen	Nghe An		
28	23/8/2023	13	5	18	Chau Nhan	Hung Nguyen	Nghe An		
	Oct-Nov 23								

No.	Date	Consulted people			Communes	District	Provinces	Central	
		Male	Female	Total				National	International
29	31/10/2013	14	6	20				MOF, MPI, MONRE, MARD	
	1/11/2023	7	8	15				Vietnam Women Union; MOLISA; CEMA; IRRI, Vietnam NARS	
	1/11/2023	4	4	8					JICA, UN Women, ADB
	2/11/2023	7	0	7			Thanh Hoa Project Preparation Board		
	3/11/2023	16	6	22			Thanh Hoa's PPC leaders, DPI, DOF, DARD, DOIT, DOLISA, DONRE, CEMA, DOH, PWU, PYU, PFU		
	3/11/2023	17	3	20		Ha Trung	Thanh Hoa		
	4/11/2023	10	4	14	Ha Giang	Ha Trung	Thanh Hoa		
	5/11/2023	17	5	22		Hoang Hoa	Thanh Hoa		
	5/11/2023	3	5	8	Hoang Luu	Hoang Hoa	Thanh Hoa		
	6/11/2023	6	3	9			Thanh Hoa DARD		
	6/11/2023	5	1	6			Thanh Hoa DONRE		
	6/11/2023	15	10	25			Thanh Hoa Line Departments (DOF, DOIT, DOLISA, Woman's Union & Youth Union, Cooperative Alliance, Thanh Hoa Hydrometeorological Station, Department of Cultivation and Plant Protection)		
	8/11/2023	10	1	11			Nghe An DARD and Project Preparation Board		
	8/11/2023	17	8	25			Nghe An DOF, DOLISA, DONRE, PWU		
	9/11/2023	8	2	10		Con Cuong	Nghe An		
	9/11/2023	3	5	8	Chau Khe	Con Cuong	Nghe An		
	10/11/2023	14	5	19		Anh Son	Nghe An		
	11/11/2023	20	4	24		Do Luong	Nghe An		
	14/11/2023	5	1	6		Thanh Chuong	Nghe An		
	15/11/2023	5	2	7		Nam Dan	Nghe An		
	16/11/2023	4	4	8		Hung Nguyen	Nghe An		
	TOTAL	435	218	653					

Annex 4 – Some photos of consultation meetings at project site

Meeting with representatives of Nam Dan DPC and some CPCs



Meeting with representatives of Chau Nhan CPC, Hung Nguyen district and FGD with villagers of Chau Nhan commune



Meeting at Tu Quy pumping station, Ha Trung district



Hoang Ngoc pumping station, Hoàng Hoa district, an unique domestic water for 4 sand-area project communes, multi-purpose water supply facility



Viet Nam

Climate Resilient and inclusive Water Infrastructure for rural Smallholders in Thanh Hoa and Nghe An provinces

Project Design Report

Annex: Annex Targetted Adaptation Assessment Crwis

Mission Dates: 30 October - 17 November 2023

Document Date: 28/03/2024

Project No. 2000004024

Report No. 6739-VN

Asia and the Pacific Division
Programme Management Department

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1) Overview

A. Title of the Program

1. Climate Resilient and inclusive Water Infrastructure for rural Smallholders (CRWIS) in Thanh Hoa and Nghe An provinces

B. Area

2. Two districts of Thanh Hoa Province and six districts of Nghe An Province in North Central Region.

C. Executing Entity

3. In line with Government of Vietnam's policies, the Provincial People's Committee of Nghe An and Thanh Hoa will both execute the projection.

D. Summary of the Program

4. Two provinces and eight districts are identified for CRWIS: (1) Ha Trung and Hoang Hoa of Thanh Hoa, and (2) Anh Son, Con Cuong, Do Luong, Hung Nguyen, Nam Dan, and Thanh Chuong of Nghe An.



Figure 1.D.i Map of project provinces and districts in Vietnam

5. The CRWIS project focuses on improving the climate resilience of irrigation (pumping stations, canals, sluice gates) and flood protection infrastructure (dykes, roads). Grant financing, potentially from the Adaptation Fund and other bilateral partners, will support policy and institutional initiatives to support local institutions and agricultural cooperatives / water user groups to take a climate-informed and inclusive approach to water management. To summarize, the Project Development Objective is to catalyse climate-informed water management for irrigation and flood control through the rehabilitation of critical infrastructure and transform agricultural production in Thanh Hoa and Nghe An provinces for climate-resilient and profitable livelihoods.

6. The project outcomes are:

- Outcome 1: Improving water availability and control in climate-vulnerable agricultural areas through rehabilitation and upgrade of critical infrastructure.
- Outcome 2: Climate-resilient rural livelihoods.
- Outcome 3: Project management.

7. Since households produce a range of crops: namely, broadcasted rice (1-2 seasons), maize, groundnuts, vegetables (beans, cassava, cucumber, potato) and fruits (prickly pear, orange, grapefruit, guava, lemon) in both provinces as well as engage in livestock activities – extensive systems (cows, buffaloes, pigs, chickens) and plantation activities – in productive forests (herbs, flower tea, tree species such as acacia, rubber and bamboo), these value chains will be the focus of CRWIS. In Thanh Hoa, there is also aquaculture production in freshwater and brackish water to produce shrimp and fish.

8. In some communes, farmers have variously attempted cultivating drought-tolerant rice, reducing rice cropping season, producing and using microbial manure, reclaim rice straw for mushroom production, and redistributing land for more equitable access to well-irrigated and poor-quality plots; better-off farmers have also come together to set up ‘net houses’ – i.e., these are autonomous or government-supported adaptation actions to drought and flood risks, in particular. There is some local processing of agricultural outputs to manufacture rice wines, shrimp paste, etc.

9. CRWIS does not intend to transform the cropping mix entirely; it will support interventions that enable stability or an increase in the number of cropping seasons, sustained use of stress-tolerant seeds, better management of water and soil (including through practices such as AWD in dry season, SRI, land levelling, direct seeding of rice, conservation agriculture), efficient use of inputs (microbial or organic manure, integrated fertilizer management), and piloting of mechanization (combine harvester, laser land leveller, line seeder) towards climate resilient and sustainable agriculture. Value chain linkages, particularly to the private sector, is intended to improve market access and increase income to incentivize climate-resilient agriculture.

10. These interventions will be underpinned by (1) support to local government on updating flood and drought risk maps, (2) more effective use of (existing) hydrometeorology and agrometeorology information to create advisories for farmers and agricultural cooperatives, (3) strengthened coordination and information flow between institutional stakeholders (DARD, DONRE, irrigation companies, pre-existing hydropower plants) and between institutional stakeholders and community organizations (farmers, agricultural cooperatives and water user groups, and (4) capacity development of agricultural cooperatives / water user groups.

E. Date of Preparation of the Vulnerability and Adaptation Assessment

11.8 December 2023

2) Climate Baseline and Hazard, Exposure, and Vulnerability Assessment

A. Vietnam Climate Baseline

12. Vietnam is located in the tropical monsoon belt of Southeast Asia. Due to its topography that falls from the northwest to the southeast – extensive coastline in the east and mountainous borders with Lao PDR and China in the north and west, it has a warm climate that includes tropical and temperate regions (Figure 2.A.i)¹. Although over 70% of the country lies below 500m above mean sea level (MSL), more than 75% of the country is covered by plateaus, hilly regions and low mountains, and the other 25% is lowlands or plains². Vietnam is divided into eight sub-regions (Figure 2.A.ii) with distinct agro-

¹ WBG, ADB, 2020. Climate risk country profile: Vietnam. The World Bank Group and the Asian Development Bank. <https://www.adb.org/sites/default/files/publication/653596/climate-risk-country-profile-viet-nam.pdf>

² Statistical Yearbook of Vietnam, 2022. https://www.gso.gov.vn/wp-content/uploads/2023/06/Sach-Nien-giam-TK-2022-update-21.7_file-nen-Water.pdf

ecological, socio-economic and climate profiles; CRWIS provinces fall in the North Central Coast Region and span all three climatic zones. The country has two major deltas which span 25% of its area: the Red River Delta in the north (16,700 sqkm) and the Mekong Delta in the south (40,000 sqkm). Starting from Thanh Hoa's Ma River Basin to Binh Thuan at the end of the South-Central Coast, there is a chain of small narrow deltas with a total area of 15,000 sqkm³.

Vietnam map of Köppen climate classification

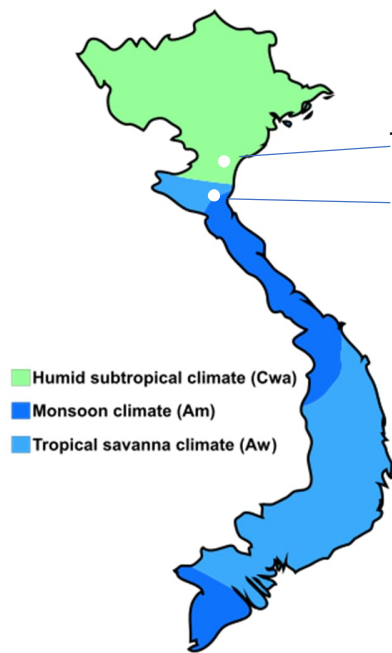


Figure 2.A.i Vietnam's Climatic Zones⁴

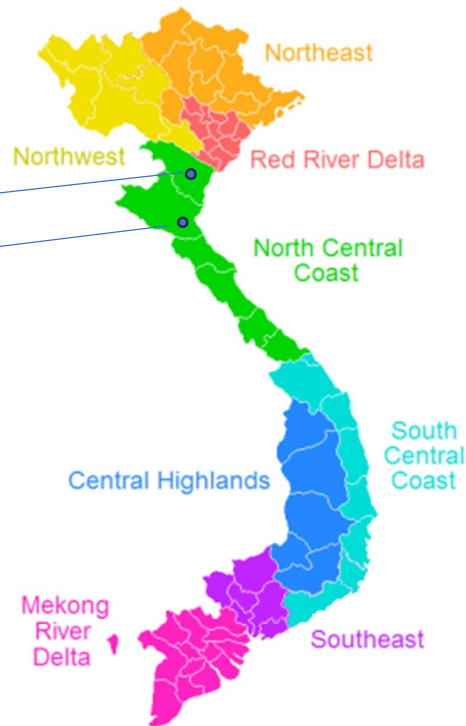


Figure 2.A.ii Vietnam's Regions⁵

³ Statistical Yearbook of Vietnam, 2022.

⁴ https://commons.wikimedia.org/wiki/File:Vietnam_map_of_Köppen_climate_classification.svg

⁵ <https://commons.wikimedia.org/wiki/File:VietnameseRegions.png>

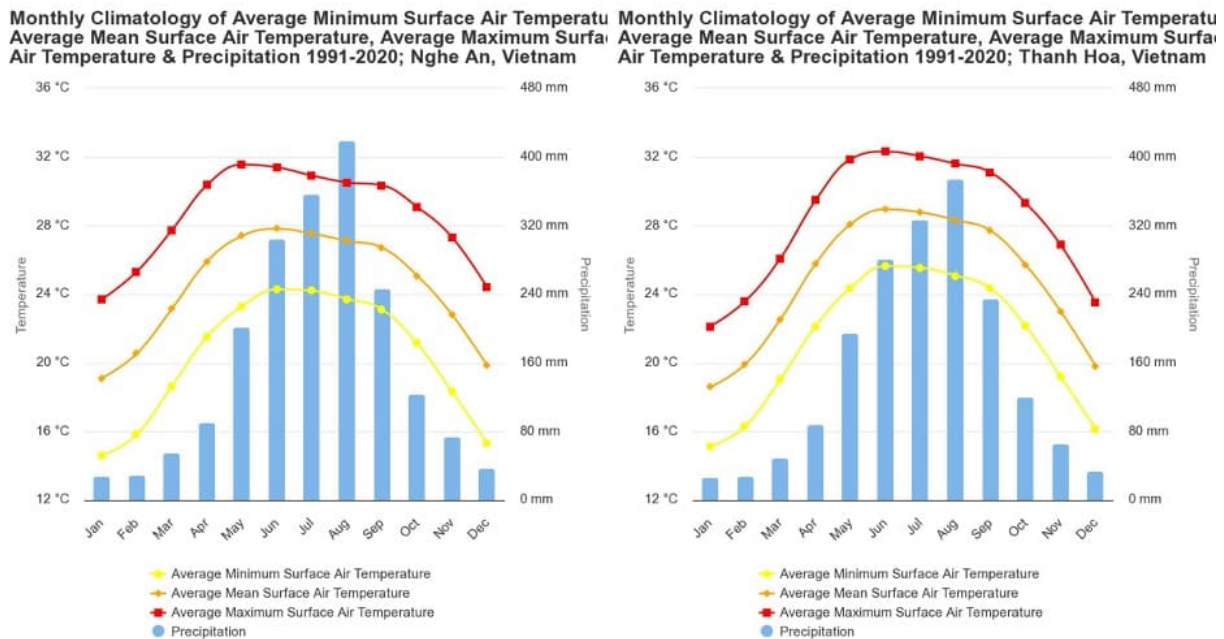


Figure 2.A.iii Nghe An's monthly climatology⁶ Figure 2.A.iv Thanh Hoa's climatology⁷

13. Vietnam's rainy seasons are linked to the southwest (Jun-Sep) and northeast monsoons (Dec-Mar): rainfall occurs between May-Oct in the north and south, and in the central regions from Sep-Jan. Thanh Hoa's annual precipitation is about 1828 mm⁸; in both cases, 75-77% of the rains fall between May-Sep. The dry (winter) season extends from Oct-Apr and accounts for 25% of the annual rainfall (Figure 2.A.iii and Figure 2.A.iv). While northern Vietnam's average temperatures range from 22-27.5 deg C in the summer and 15-20 deg C in the winter, southern areas have lower diurnal variation (summer / wet: 28-29 deg C, dry / winter: 26-27 deg C). The warmest temperature period in Nghe An and Thanh Hoa does not coincide with the rainy season (Figure 2.A.iii and Figure 2.A.iv).

14. El Niño-Southern Oscillation (ENSO) is a major driver of inter-annual climate variability in Vietnam. For the North Coastal region, which includes Thanh Hoa and Nghe An, there is a statistically significant relationship between ENSO years and annual rainfall – i.e., below normal rains in El Niño years for Apr-May and Oct-Nov⁹. This has direct impacts on agriculture: for example, below normal rains ahead of the southwest monsoon can delay and impact rice sowing / early growth of May-Sep rice and other crops.

15. Analysis¹⁰ of data between 1980-2007 shows that for southern parts of Nghe An (target of CRWIS), ENSO results in 10-30% reduction in Sep-Nov rainfall due to a weakening of northeast monsoon. Conversely, during La Nina years, the total rainfall between Sep-Nov increases between 9-19%.

⁶ World Bank CCKP, as of 8 Dec 2023. <https://climateknowledgeportal.worldbank.org/country/vietnam/climate-data-historical>

⁷ World Bank CCKP, as of 8 Dec 2023. <https://climateknowledgeportal.worldbank.org/country/vietnam/climate-data-historical>

⁸ World Bank CCKP. Precipitation for 1991-2020. <https://climateknowledgeportal.worldbank.org/country/vietnam/climate-data-historical>

⁹ Katzfey, J.J., McGregor, J.L., and Suppiah, R., 2014. High-Resolution Climate Projections for Vietnam: Technical Report. CSIRO, Australia. 266 pp.

¹⁰ Vu, T.T., Nguyen, H.T., Nguyen, T.V., Nguyen, H.V., Pham, H.T.T., Nguyen, L.T., 2015. Effects of ENSO on Autumn Rainfall in Central Vietnam. *Advances in Meteorology*, vol. 2015: 264373. <https://doi.org/10.1155/2015/264373>

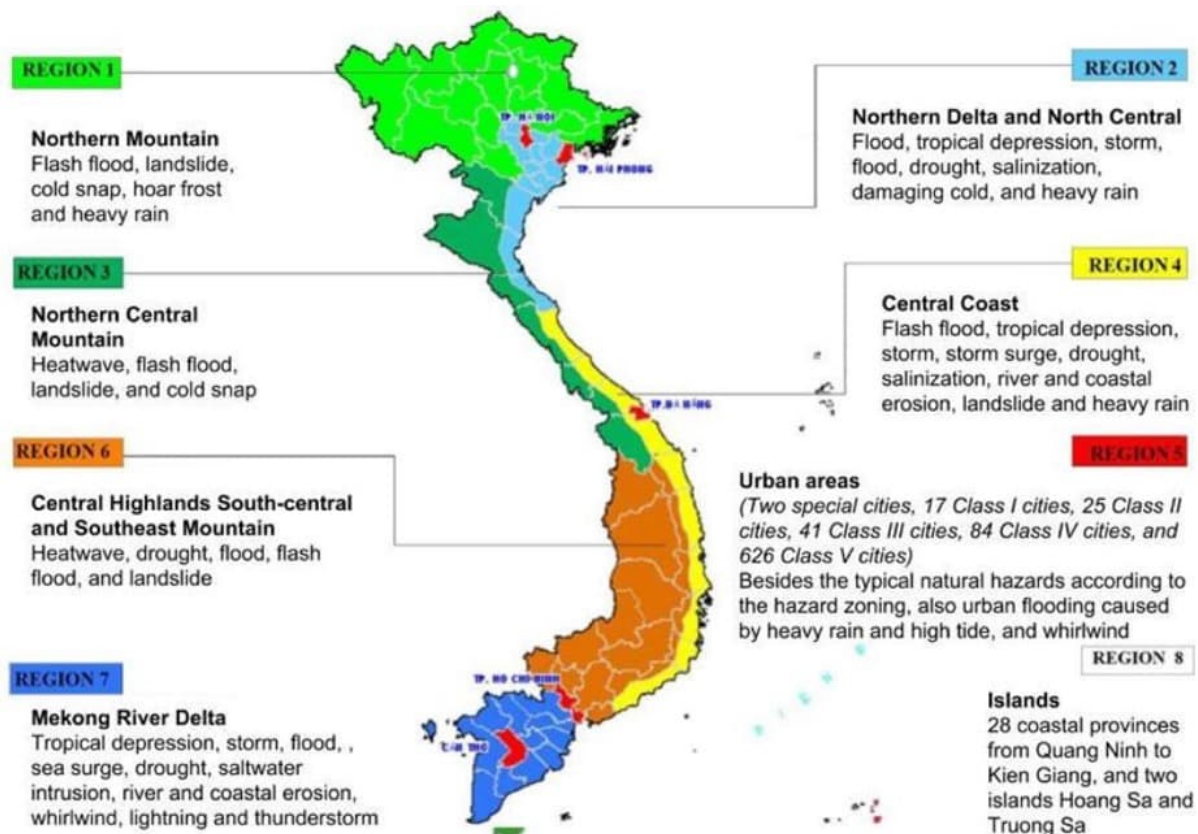


Figure 2.A.v Disaster map of Vietnam

16. Vietnam is hit by 6-7 typhoons and tropical storms each year; between 1990 and 2010, there were 74 flood events. The average annual loss from disasters is USD 1.9 billion (around 1.3% of its GDP)¹¹. Per Vietnam’s disaster zoning map (Figure 2.A.v), Nghe An and Thanh Hoa experience several types of weather and climate disasters: floods, droughts, storms and heavy rains, and salinization affect coastal areas and plains/lowlands of both provinces; heatwaves, flash floods, landslides and cold snaps affect Nghe An’s lowlands and hilly/mountainous regions.

17. In 2018 and 2019, flash floods occurred on a large scale in Thanh Hoa. In 2009, a high intensity typhoon Ketsana caused storm surges and heavy rainfall in Nghe An, which resulted in nearly historical floods (which last occurred in 1999)¹². In 2020, Nghe An was affected by 7 heat waves, 22 storms and flash floods, and 15 cold spells. The project provinces of Thanh Chuong and Hung Nguyen, which are low-lying, were among the five most flood-affected districts as well in 2020¹³. Validation of events by communities occurred during field visits with concerns about floods, flash floods and droughts dominant (and salinization in Thanh Hoa) among stakeholders.

¹¹ UNDP, 2015. Viet Nam: Special Report on managing the risks of extreme events and disasters to advance climate change adaptation. United Nations Development Programme: Hanoi. <https://www.undp.org/vietnam/publications/viet-nam-special-report-managing-risks-extreme-events-and-disasters-advance-climate-change-adaptation>

¹² UNDP, 2015.

¹³ Nghe An’s Department of Agriculture and Rural Development, 2021 as cited in Tran, P.T., Vu, B.T., Ngo, S.T., Tran, V.D., and Ho, T.D.N., 2022. Climate change and livelihood vulnerability of the rice farmers in the North Central Region of Vietnam: A case study in Nghe An province, Vietnam. *Environmental Challenges*, 7 (2022). <https://doi.org/10.1016/j.envc.2022.100460>

I. Observed temperature trends:

18. Climate change has contributed to an increase in temperature of 0.15-0.35 deg C per decade throughout Vietnam between 1961-2011¹⁴. For the period 1971-2010, the estimated rate of warming at 0.26 ± 0.10 deg C per decade is reported as being twice the rate of global warming over the same period¹⁵. Warming has accelerated in the recent decades: between 1971-2020, average mean surface air temperature increased by 0.25 deg C per decade, and between 1991-2020, the increase was 0.32 deg C per decade¹⁶.

19. The minimum temperature in each region of the country showed an increasing trend between 1961-2010, and maximum temperatures increased in some regions, including North Central Coast, but was inconsistent (increase or decrease) for Southern regions¹⁷. While the average maximum temperature between 1991-2020 increased by 0.32 deg C per decade, the increase in average minimum temperature over the same period was 0.33 deg C per decade – with high relevance for agricultural sector¹⁸. Temperature trends for Thanh Hoa and Nghe An are shown below: the increasing trend is obvious.

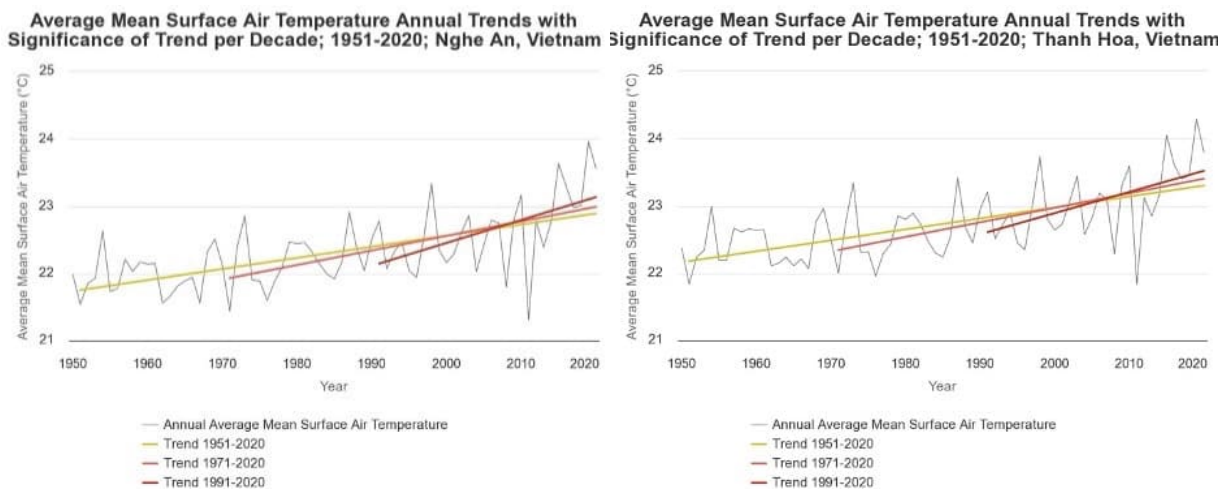


Figure 2.I.i Nghe An temperature trends¹⁹

Figure 2.I.ii Thanh Hoa temperature trends²⁰

II. Observed precipitation trends:

20. Trends in rainfall are mixed with annual and extreme rainfall declining in some regions (e.g., North West) and the same variables showing an increase in other regions (e.g., Southeast and South Central Coast). The North Central Coast shows a decline of about - 2.6% per decade between 1961 and 2011, but this is not statistically significant²¹. As stated, ENSO has strong effects on inter-annual variability but an analysis of long-term linkages between ENSO and climate change are lacking.

III. Trends in extreme events and disasters:

21. In North Central Coast, Nghe An and Thanh Hoa along with Ha Tinh are most affected by extreme weather. Over a 20-year period i.e., 1989 to 2010, Thanh Hoa was identified as one of the five most disaster-prone provinces in Vietnam. Between 1949 to 2017, Nghe An

¹⁴ Katzfey, J.J., McGregor, J.L., and Supplah, R., 2014.

¹⁵ Nguyen, D. O., Renwick, J., & McGregor, J., 2014. Variations of surface temperature and rainfall in Vietnam from 1971 to 2010. *International Journal of Climatology*, 34: 249–264. <https://doi.org/10.1002/joc.3684>

¹⁶ World Bank CCKP, as of 3 Dec 2023. <https://climateknowledgeportal.worldbank.org/country/vietnam/trends-variability-historical>

¹⁷ UNDP, 2015.

¹⁸ World Bank CCKP, as of 3 Dec 2023. <https://climateknowledgeportal.worldbank.org/country/vietnam/trends-variability-historical>

¹⁹ World Bank CCKP, as of 3 Dec 2023.

²⁰ World Bank CCKP, as of 3 Dec 2023.

²¹ Katzfey, J.J., McGregor, J.L., and Supplah, R., 2014.

experienced 18 storms and Thanh Hoa experienced 23 storms²². Between 1961-2010, there is not an evident trend in the frequency of typhoons and tropical depressions making landfall in Vietnam. However, the inter-annual variation in number of typhoons and tropical depressions between 1959-2015 is quite high: ranging from 18-19 storms and sometimes 4-6 storms. The typhoon season tends to end later, and those with medium intensity tended to decrease while those with highest intensity tended to increase. The number of depression spells also tended to increase²³.

22. The severity of droughts has tended to increase across regions, with high frequency in Jan-Apr and May-Aug, but winter droughts (Jan-Apr) are more frequent than summer-autumn droughts (May-Aug); in North Central Vietnam, droughts are more common in May-Aug²⁴. Extreme rainfall shows an upward trend over 1961-2010 in Vietnam, and extreme rainfall mainly occurred in Apr-Jul though somewhat earlier in the North. Extreme rainfall (daily max rainfall, five-day max rainfall) tended to increase significantly in most stations of North Central Coast²⁵. Mean sea level has increased in the East Sea, along Vietnam's eastern coastline, by around 2.8 mm per year²⁶.

23. Data to assess trends in frequency or intensity of other events such as saltwater intrusion, floods, landslides, and flash floods is not available for Thanh Hoa and Nghe An.

B. Climate Projections (Future)

24. There are several sources of climate projections and analysis. The information presented below is primarily from Vietnam's updated NDC and is supplemented by data from other sources.

I. Temperature projections:

25. Vietnam's 2020 climate change scenarios project that average annual temperature would increase by 1.2-1.7 deg C by mid-century and 1.6-2.4 deg C by end-of-century under RCP4.5, and by 1.7-2.3 deg C by mid-century and 3.2-4.2 deg C by end-of-century under RCP 8.5. Temperatures in the northern regions increase more than in the southern regions: under RCP8.5, the region is projected to have an increase of 1.8 deg C (1.1-2.8 deg C) by mid-century and 3.4 deg C (2.2-5.0 deg C) by end-of-century. In the North Central Coast, warming in Apr-May under RCP8.5 by end-of-century is projected to be about 4 deg C compared to 3.5 deg C for other months²⁷. An increase in the number, length and intensity of heat waves and number of hot days (when temperature exceeds 35 deg C) is projected by end-of-century.

II. Precipitation projections:

26. While rainfall projections are subject to higher uncertainties, annual rainfall for Vietnam is projected to increase by 10-15% by mid-century and 10-20% by end of the century under RCP4.5 and 10-15% by mid-century and 10-25% by end of the century under RCP8.5. The average one-day maximum rainfall, in comparison to 1986-2005 baseline, is expected to increase between 10-70% across Vietnam.

III. Extreme weather events and disasters:

27. Droughts are projected to be more severe; while the number of tropical depressions is expected to decrease, typhoons of high strength are expected to increase. Under RCP8.5,

²² Tran, P.T., Vu, B.T., Ngo, S.T., Tran, V.D., Ho, T.D.N., 2022. Climate change and livelihood vulnerability of the rice farmers in the North Central Region of Vietnam: A case study in Nghe An province, Vietnam. *Environmental Challenges*, Volume 7 (2022). <https://doi.org/10.1016/j.envc.2022.100460>

²³ UNDP, 2015.

²⁴ UNDP, 2015.

²⁵ UNDP, 2015.

²⁶ UNDP, 2015.

²⁷ Katzfey, J.J., McGregor, J.L., and Suppiah, R., 2014.

average sea level rise along Vietnam's coast could be around 73 cm (49-103 cm), which could imply that 1.5% of areas in Thanh Hoa and Nghe An are at risk of permanent flooding.

C. Climate Baseline and Climate Projections: CRWIS provinces and the rest of Vietnam

28. The below analysis of selected climate impacts draws on FAO's CAVA (Climate and Agriculture Risk Visualization and Assessment) and other secondary literature; it is intended to illustrate how Thanh Hoa and Nghe An and/or the Northcentral region are placed on climate change risks vis-à-vis other regions.

29. Temperature observations²⁸ and projections

- Currently, the Greater Mekong Region – particularly its western part – experiences the highest number of days where maximum temperature (Tmax) ≥ 35 deg C in Mar-May (Figure 2.C.ii). But large areas of Thanh Hoa and Nghe An – particularly the plains and coastal districts – are also experiencing such temperature anomalies. When Jun-Aug period is selected, Thanh Hoa and Nghe An continue to show a high number of days where Tmax exceeds 35 deg; in contrast, the Tmax days ≥ 35 deg C days for Greater Mekong declines (Figure 2.C.iii).
- By 2041-2060, temperature anomalies (Figure 2.C.iv and Figure 2.C.v) are predicted to most affect the Red River Delta, North Central Coast (hosting Thanh Hoa and Nghe An), the Mekong River Delta, and the southern part of Northeast and some parts of the Southeast regions.

30. Precipitation observations and projections

- Regionally, precipitation extremes appear more pronounced in the Northcentral Coast (hosting Thanh Hoa and Nghe An) and Southcentral Coast. For instance, between Sep-Nov, these regions have a higher number of high rainfall (precipitation ≥ 50 mm) days (Figure 2.C.vi) and higher values for total precipitation occurring on high rainfall days (Figure 2.C.vii). September through November is hence when river floods occur in Northcentral Coast of Vietnam due to intense precipitation, steep topography, and dearth of water storage options.
- By 2041-2060, while regional differences in precipitation anomalies are harder to discern (with seemingly little variation across Vietnam) or is more pronounced in regions such as the Mekong River, there are some indications of potential dry spells or droughts in Apr-Oct (the rainy season). However, MONRE (2016)²⁹ analysis shows (Figure 2.C.viii) that North Central region is one of the regions – together with other parts of the North as well as Central Coast and parts of South and Central Highlands – where the change in annual rainfall (%) is projected to be higher than 20%.

31. Drought occurrence and projections³⁰

- All of Vietnam has experienced agricultural and hydrological droughts between 1979 and 2007, but the frequency of droughts is higher in North Vietnam (including Nghe An and Thanh Hoa) whereas frequency is lower but duration longer in South Vietnam (particularly around Mekong) (Figure 2.C.ix).
- By mid-century, the number of agricultural droughts is projected to decrease for most parts of Vietnam, and projected drought duration changes are small – except in two regions i.e., northern parts of Northcentral Vietnam and southern parts of

²⁸ There is not a specific spatial pattern for other temperature related observations e.g., number of heat waves, 3 or 6 consecutive days ≥ 40 deg C, in the whole year or in Mar-Apr / Jun-Aug. For other observations, e.g., number of days with maximum temperature ≥ 30 deg C, nearly the whole country is affected. For cold extremes, current observations do not show a spatial variation across Vietnam; however, Northwestern and Western districts of Nghe and Thanh Hoa are expected to among the regions with anomaly in number of days when minimum temperature falls below 0 deg C.

²⁹ MONRE (2016). Climate Change and Sea Level Rise Scenarios for Viet Nam. Ministry of Natural Resources and Environment: Hanoi.

<https://www.lmh.ac.vn/files/doc/2017/CCS%20final.compressed.pdf>

³⁰ Katzfey, J.J., McGregor, J.L. & Supplah, R. (2014). High-Resolution Climate Projections for Vietnam: Technical Report. CSIRO, Australia. 266 pp. <https://www.rccap.org/wp-content/uploads/2017/05/vietnam-projections-tech-report.pdf>

Southcentral Vietnam (but these changes are not robust). By-the-end-of-the-21st-century, number of agricultural drought events follows the same pattern with larger changes in drought duration. However, drought events are projected to increase considerably in Northcentral and Southcentral Vietnam; the coastal regions of North Vietnam (including Nghe An and Thanh Hoa) are projected to experience longer drought events. The mountain regions of Northcentral Vietnam are the source of rivers such as Lam and Ma; so, in combination, the overall pattern will plausibly contribute to increased agricultural vulnerability (Figure 2.C.x).

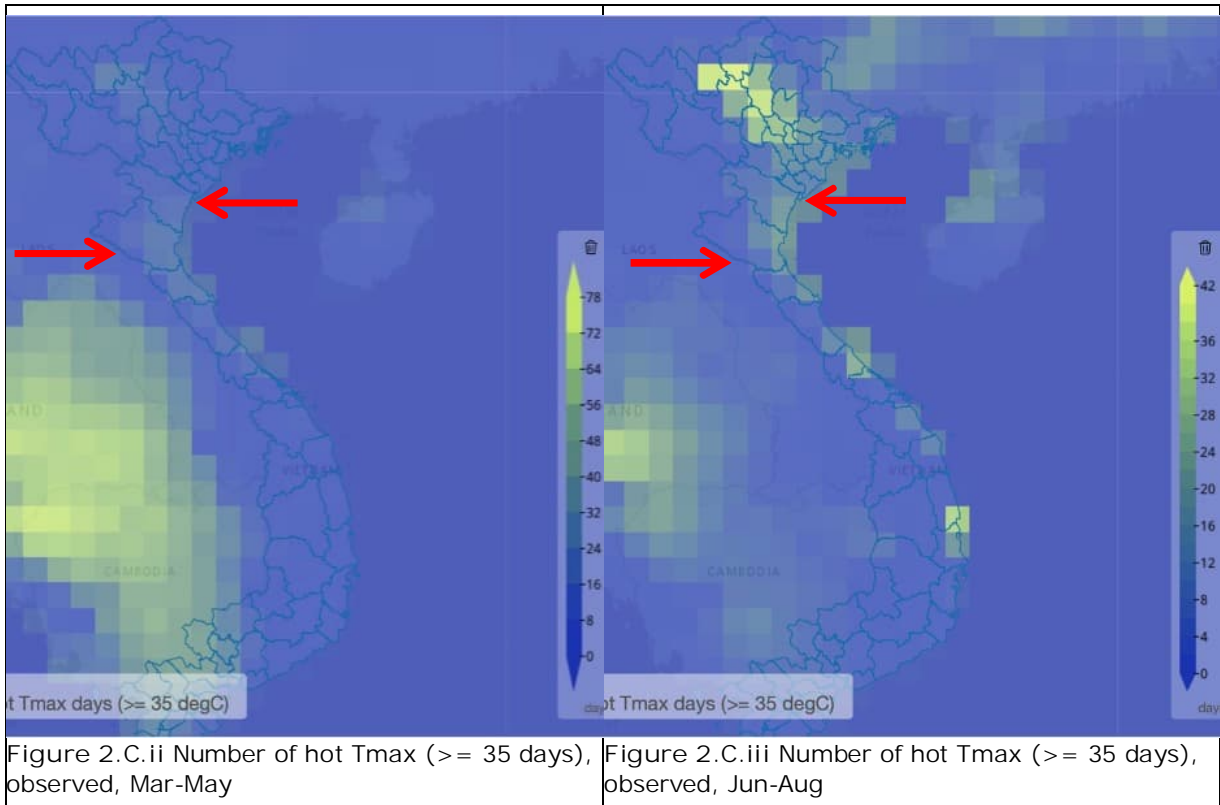


Figure 2.C.ii Number of hot Tmax (>= 35 days), observed, Mar-May

Figure 2.C.iii Number of hot Tmax (>= 35 days), observed, Jun-Aug

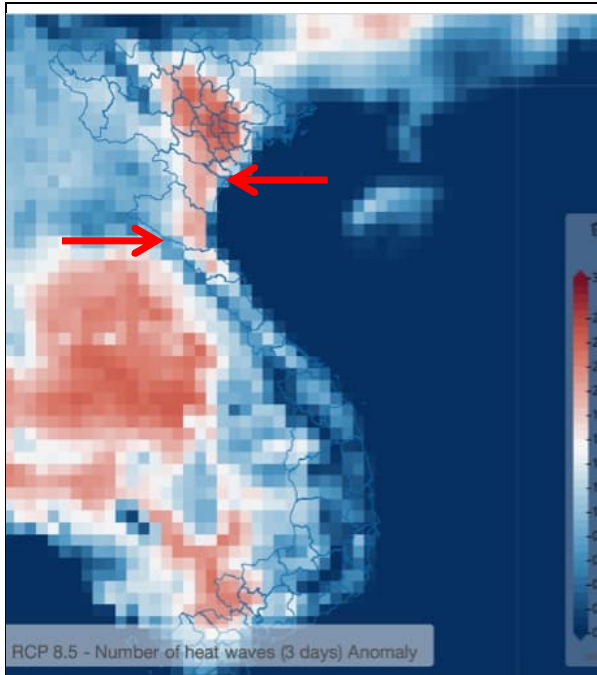


Figure 2.C.iv Projection 2041-2060, Number of heat waves (3 days), anomaly, RCP8.5

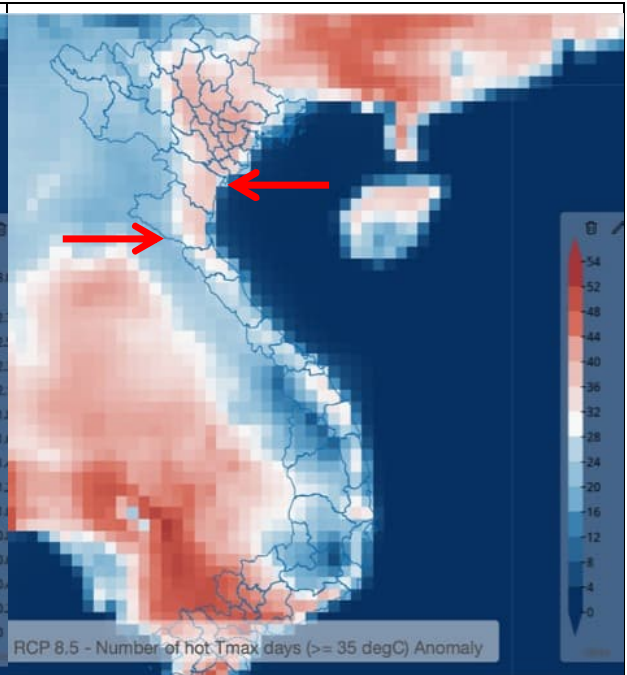


Figure 2.C.v Projection 2041-2060, Number of hot Tmax days (>= 35 degC), anomaly, RCP8.5

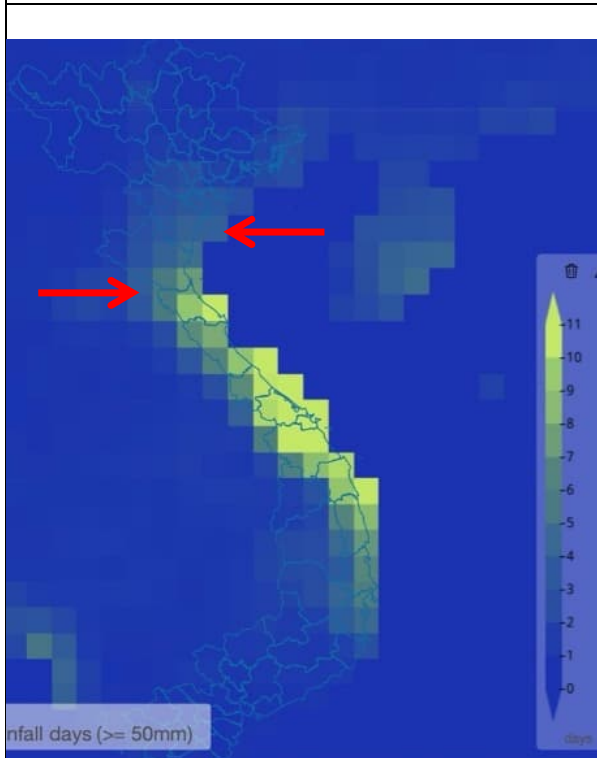


Figure 2.C.vi Number of high rainfall (>=50mm) days in Sep-Nov

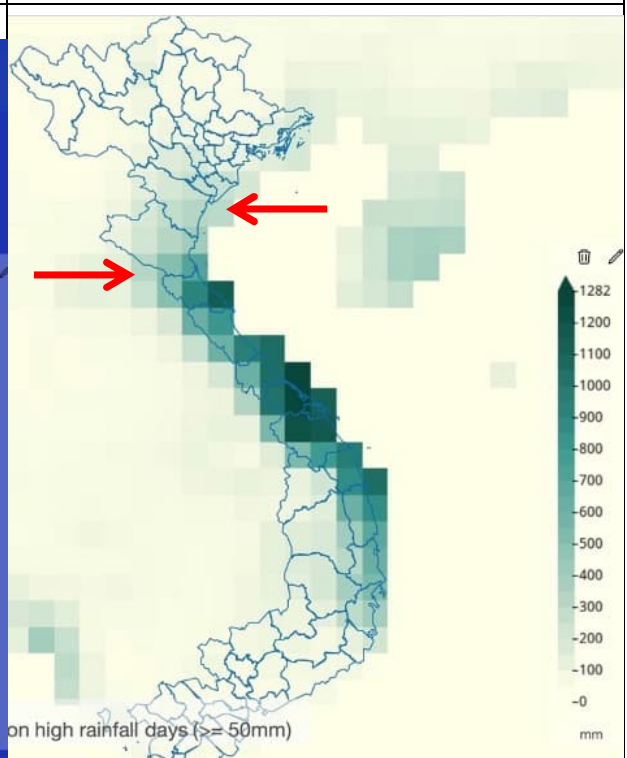
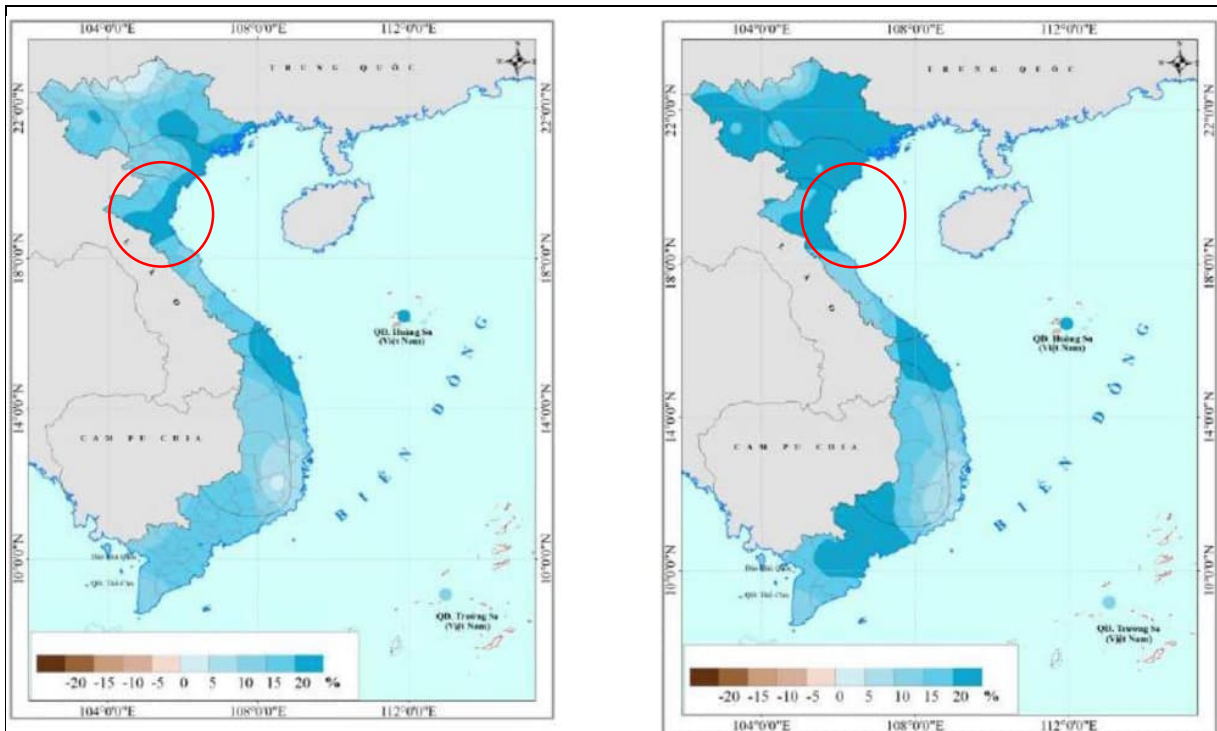


Figure 2.C.vii Total precipitation occurring on very high rainfall days (days with rainfall >=50mm) in Sep-Nov



(a) mid-21st century

(b) end of 21st century

Figure 2.C.viii Projected changes in annual rainfall (%) by mid-century and end-of-21st-century, RCP8.5. Source: MONRE (2016).

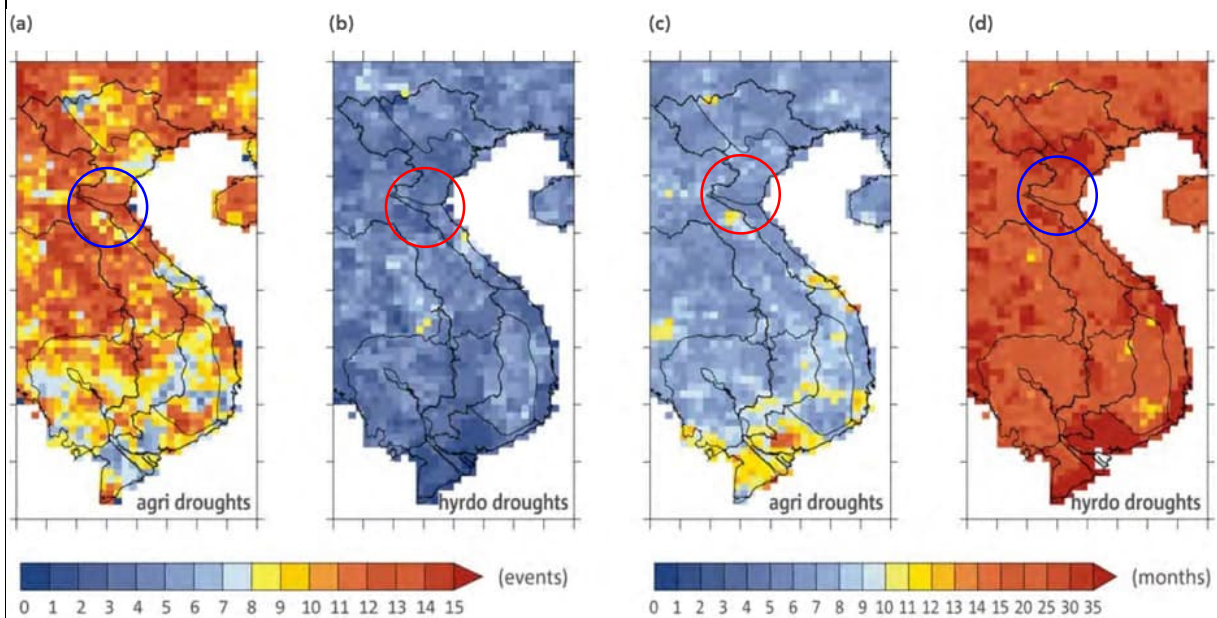


Figure 2.C.ix Number (a,b) and average duration (c,d) – in months – of extreme and severe agricultural droughts (a,c) and hydrological droughts (b,d). Authors define agricultural droughts as 2-3 months and hydrological droughts as 12-14 months. Source: Katzfey, McGregor & Suppiah (2014).

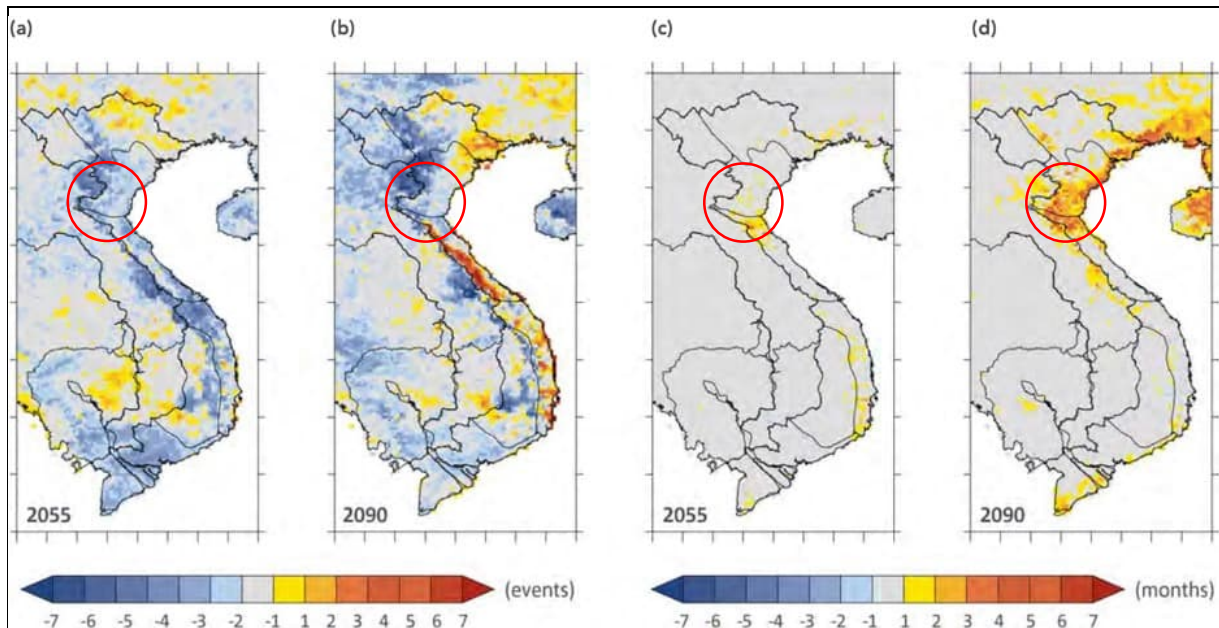


Figure 2.C.x Projected changes in the number of extreme agricultural droughts for 2045-2065 (a) and severe agricultural drought for 2080-2100 (b), both in events per period, and their average duration for 2045-2065 (c) and 2080-2100 (d) – in months – based on 3-month SPI (standardized precipitation index) for RCP8.5. Source: Katzfey, McGregor & Suppiah (2014).

Note: Climate change projections all correspond to the medium-term (2041-2060) with 1986-2005 baseline and under RCP8.5. RCP4.5 analysis is not available on CAVA. Source: FAO CAVA for Figures 2.C.i through to 2.C.vii. Arrows roughly indicate location of Thanh Hoa and Nghe An provinces & CRWIS target districts.

3) Assessment of Sub-sector Exposure, Vulnerability and Adaptive Capacity

32. The main impacts of climate change in Thanh Hoa and Nghe An is manifested through water shortage / uncertain water availability and floods – impacting standing crops and agricultural productivity, rural infrastructure, and local ecosystems. Riverbank erosion due to upstream developments and salinity intrusion from a combination of human (aquaculture, degradation of coastal mangroves) and non-human factors is also felt in the CRWIS districts. In most areas of Vietnam, agricultural production is forecasted to decrease due to climate change³¹.

A. Agriculture, Livestock and Fisheries

I. Vulnerability and Exposure:

33. Rice is the most important crop in Vietnam. While 52-56% of Vietnam's rice is produced in the Mekong River Delta, North Central Coast is also an important rice-growing region³². Droughts, floods, saline intrusion, and high temperatures are all stressors on rice production, and the outlook for rain-fed rice indicates yield declines that may exceed 50% on higher emission pathways by 2040. In contrast to CARD results (Figure 4.B.i) that shows a steady decline in *non-irrigated* rice yields, other studies suggest that *irrigated* rice yield could show improvements up to 2030 and decline thereafter. A study using data from 250 land-based weather stations for 1975 to 2014, to examine climate impacts on agriculture, found statistically significant changes in rainfall pattern in major rice-growing areas of

³¹ Trinh, T.A., Feeny, S., and Posso, A., 2021. The impact of natural disasters and climate change on agriculture: Findings from Vietnam. *Economic Effects of Natural Disasters*, 2021: 261-280. <https://doi.org/10.1016/B978-0-12-817465-4.00017-0>

³² Tran et al., 2022. The Central Coast Region, including North Central Coast, accounts for about 16% of rice production.

Vietnam, including Thanh Hoa, and notable increase in average annual temperature in Central Coast and northern areas, including Thanh Hoa and Nghe An with likely effects on yields, pests and plant diseases³³. In Thanh Hoa's coastal provinces that are targeted under CRWIS, seasonal salinity intrusion and (potentially) incremental salinisation of irrigated water, also poses significant risks to rice production. Finally, cold spells between December and February result in the death of livestock and reduce winter-spring rice production³⁴.

34. Maize is the second most important crop and is also primary feed for poultry and livestock sector, and the outlook for maize production is poor due to its climate sensitivity³⁵. Prolonged heatwaves and water shortages in May-July shorten the growth time for rice and maize, resulting in early flowering and low yields in summer-autumn rice. Even though horticulture production may not be as water intensive as rice, high dependency of crops such as cassava on irrigation and prolonged growing season for fruits results in higher exposure to the full range of climate risks.

35. Between 1995 and 2018, aquaculture production in Vietnam increased by more than 10 times from 415,000 MT to 4,153,000 MT. Thanh Hoa has about 4,300 ha of brackish fishery and 7,500 ha for rice-fish cultivation³⁶, and 90% of aquaculture in Thanh Hoa's CRWIS districts is in brackish water and yields are very low³⁷. While the shift to freshwater and brackish water aquaculture itself was a response to emerging climate risks – including, low productivity saline rice³⁸, climate change poses new risks to this sector³⁹. Storms and floods result in death of smallholder poultry and destroy aquaculture ponds⁴⁰. High temperature, including consecutive hot days, causes stress and increases fish (tilapia, catfish) and shrimp mortality^{41,42}, especially of fingerlings. Shrimp is also very sensitive to changes in water quality, such as salinity⁴³.

36. In terms of population exposed to extreme events, one-third of households in the North Central Coast experienced different forms of severe weather event⁴⁴. The North Central Coast and Northeast Vietnam also have some of the highest percentages of their population residing in flood-prone areas. The same analysis found a high overlap between poverty and flood at the district level for 25-year return period under climate change in North Central Coast and Greater Mekong regions⁴⁵.

II. Adaptive Capacity:

37. Food security, nutrition and employment of Vietnamese households is closely associated with agricultural production, with around 35% of Nghe An and Thanh Hoa's population relying on agriculture, forestry and fishing for employment⁴⁶ – increasing their livelihood vulnerability. Heat waves and very low rainfall caused serious water shortage in 2020 affecting 8,200 hectares (ha) of agricultural land (3,200 ha in Thanh Hoa and 5,000 ha in Nghe An); in addition, droughts and water shortages affected 9,000 ha in Thanh Hoa and 8,900 ha in Nghe An⁴⁷.

³³ Duc, K.N., Ancev, T., and Randall, A., 2019. Evidence of climatic change in Vietnam: Some implications for agricultural production. *Journal of Environmental Management*. 231: 525-545. <https://doi.org/10.1016/j.jenvman.2018.10.011>

³⁴ Tran et al., 2022.

³⁵ WBG, ADB, 2020.

³⁶ UNDP, 2021. Farmers of Thanh Hoa province have escaped prolonged poverty with models of black tiger shrimp farming.

³⁷ Trinh, T., Tran, N., and Cao, Q., 2016. Climate-Smart Aquaculture: Evidences and potentials for Northern Coastal Area of Vietnam. CCAFS Working Paper No. 169. Copenhagen, Denmark: CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). <https://hdl.handle.net/10568/75543>

³⁸ Tran, N., Chan, C.Y., Aung, Y.M., Bailey, C., Akester, M., Cao, Q.L., Trinh, T.Q., Hoang, C.V., Sulser, T.B., and Weibe, K., 2022a. Foresighting future climate change impacts on fisheries and aquaculture in Vietnam. *Front. Sustain. Food System*, 6 (2022). <https://doi.org/10.3389/fsufs.2022.829157>

³⁹ Trinh, et al., 2016.

⁴⁰ Tran et al., 2022.

⁴¹ Tran et al., 2022a.

⁴² UNDP and FAO, 2021. Vulnerability and risk assessment of agriculture sectors in Vietnam. Bangkok. <https://www.fao.org/3/cb3776en/cb3776en.pdf>

⁴³ Mendizabal, C.A., 2017. More Vietnamese households adopt integrated aquaculture systems as a climate-smart practice. <https://ccafs.cgiar.org/news/more-vietnamese-households-adopt-integrated-aquaculture-systems-climate-smart-practice>

⁴⁴ Tran et al., 2022.

⁴⁵ Bangalore, M., Smith, A., and Veldkamp, T., 2019. Exposure to floods, climate change, and poverty in Vietnam. *Econ. Dis. Cli. Cha.*, 3: 79–99.

⁴⁶ <https://doi.org/10.1007/s41885-018-0035-4>

⁴⁷ See section 2.1.1 of SECAP Review Note.

⁴⁷ Tran et al., 2022.

38. Reliable and timely irrigation, farm size, access to credit, associations (such as cooperative membership), access to high quality inputs, market linkages and training all play important role in determining farmer's capacity to cope and adapt with sudden and slow onset climate events⁴⁸. For instance, farmers may underestimate the extent to which on-farm measures such as soil conservation can mitigate, say, flood risks (as opposed to external factors) and this may reduce their willingness to adopt climate-smart practices⁴⁹. The length of time it takes for CSA technologies and practices to yield benefits may also impact their perceptions of benefits, and result in dis-adoption. Finally, some autonomous adaptation practices may be mal-adaptive such as a delay in planting of summer crops due to a late start in rains resulting in increased vulnerability to floods in autumn⁵⁰.

39. In case of aquaculture production, adaptation capacity is constrained by farmers' lack of exposure and training on integrated fish farming (e.g., shift to mono-culture tilapia when climate change impacts shrimp culture, black tiger shrimp intercropped with tilapia and green crabs or seaweed, mangrove plantation as protective embankment and erosion control), and access to quality fingerlings and feeds⁵¹ as well as modern techniques to improve pond and water quality, disease management and limited private sector linkages for product marketing⁵².

40. The impact of climate change on agricultural production through its impact on labour productivity and health is also important, even if oft ignored. Since there's a high likelihood that, by 2050, temperatures will regularly exceed thermal comfort levels – this will impact the country's agricultural workforce⁵³.

41. Low income and increasing inequality in wealth are barriers to effective adaptation in Vietnam. Poorer farmers, women, and Ethnic Minorities are more impacted by droughts and do not have the financial capacity to rent pump motors to ensure cultivation; these groups may also hold poorer quality of land, which exacerbates climate impacts. Ethnic Minorities account for around 15% of the population but 73% of those classified as "poor" in Vietnam. A study in Northwest mountainous regions found that one of the poorest Ethnic Minority groups, the H'mong, was significantly more vulnerable to climate change and their ability to adapt is lower than the Thai (a relatively much wealthier Ethnic Minority group)⁵⁴.

42. Despite their contributions to agricultural labour and the fact that men in the household are away for extended periods (seeking wage employment in industrial sector), women are less involved in production-related decisions or may have limited capacities. Women heavily engage in unpaid care work and are paid less than men: across the industry, service and agriculture sectors, the wage gap is the highest for agriculture (women received 69% of the average wage in 2016). Agricultural income may also be limited because women engage in subsistence or non-lucrative activities. All these factors, together with lack of access to information, exclusion from decision-making structures, and social norms worsens women's vulnerability to climate change.

43. Agricultural activities that women lead, such as plantations and horticulture, is also more exposed to climate hazards since they are typically located in more upland plots or may lack direct access to irrigation canals. This implies that women must physically fetch the water required for cultivation, and this increases drudgery for women – particularly during droughts. Improved access to alternate sources of freshwater, such as tanks or drip

⁴⁸ Aroui, M., Nguyen, C., and Youssef, A.B., 2015. Natural disasters, household welfare, and resilience: Evidence from rural Vietnam. *World Development*, 70 (2015): 59-77. <https://doi.org/10.1016/j.worlddev.2014.12.017>

⁴⁹ Schad, I., Schmitter, P., Saint-Macary, C., Neef, A., Lamers, M., Nguyen, L., Hilger, T., and Hoffmann, V., 2012. Why do people not learn from flood disasters? Evidence from Vietnam's northwestern mountains. *Nat Hazards* 62, 221–241 (2012). <https://doi.org/10.1007/s11069-011-9992-4>

⁵⁰ Trinh et al., 2021.

⁵¹ Cruz, A., 2016. Swimming towards adaptation with climate-smart aquaculture. <https://ccafs.cgiar.org/news/swimming-towards-adaptation-climate-smart-aquaculture>

⁵² Trinh, et al., 2016.

⁵³ WBG, ADB, 2020.

⁵⁴ Nguyen, Y.T.B., and Leisz, S.J., 2021. Determinants of livelihood vulnerability to climate change: Two minority ethnic communities in the northwest mountainous region of Vietnam. *Environmental Science and Policy*. 123 (2021): 11-20. <https://doi.org/10.1016/j.envsci.2021.04.007>

irrigation by harnessing natural sources of water supply (springs, rainfall runoff, etc.), could then improve climate-resilience of non-staple crops and women's income from these activities.

44. At the same time, climate-smart agricultural technologies and practices may not be equally adopted by or accessible to women due to prevailing gender norms or division of labour, resulting in amplification of existing inequities. For instance, while (manual) harvesting is traditionally performed by women, men may make take over the role when using a combine harvester⁵⁵. Matching technologies and practices with women's livelihood activities, needs and priorities, supporting women's farmer organizations, and focusing on reducing their workload can all improve both CSA adoption and promote gender equality⁵⁶. When women were targeted for training on pest management and livestock rearing in Vietnam, their self-confidence and participation in household decision-making also increased⁵⁷.

45. Vietnam has a poor density of meteorological observation network in some regions, and climate information is not adapted to agricultural context and is insufficiently disseminated to local communities. There are also substantive gaps in information that is available with the provinces, and insufficient coordination and exchange of data between various departments and agencies. DARD officials do not have adequate capacities to interpret agrometeorological and agroclimatic information, and DONRE officials do not systematically consider requirements of the agricultural sector. While flood maps were developed for Thanh Hoa and Nghe An, these are outdated: for instance, the World Bank project that funded Thanh Hoa's flood mapping exercise was completed in 2005⁵⁸. Salinity monitoring, due to paucity of resources, is conducted in Thanh Hoa's coastal districts for 30 days in one month of the year.

46. The nine Regional Centers for Hydrometeorological Forecasting emails daily weather reports and 10-day weather forecast for provinces in their respective region (but not districts within); Nghe An and Thanh Hoa are served by RHMC North Central. IMHEN (Vietnam Institute of Meteorology, Hydrology and Environment) issues a monthly newsletter on climate variability over the previous three months and a forecast for the following three months, divided by seven climatic zones. This information is not translated into advisories that can be used by the extension system, farmers or water user entities to plan agricultural activities. Where there have been pilot projects to help farmers use climate and weather data more effectively, this experience hasn't been replicated at scale. Early warning systems for tropical storms, typhoons and heavy rainfall, however, are relatively well-developed.

47. Even in a case where climate information services are available to farmers, the design of advisories and the communication mechanisms may not look at women's information needs. For e.g., plantation or horticulture activities might begin well after monsoon onset, and if the extension system is focused providing climate information on rice and other staple crops, this severely limits the utility of existing systems⁵⁹.

48. While significant improvements in hydrometeorological and agrometeorological systems may not be feasible under CRWIS, even modest expansion in observation network relevant to water use and management, updating disaster risk maps, and improving technical capacity and coordination within province departments — to ensure that existing information is leveraged to develop and disseminate timely and actionable agricultural

⁵⁵ See section 2.1.2 of SECAP Review Note.

⁵⁶ Pyburn, R., ed., and van Eerdewijk, A, ed., 2021. Advancing gender equality through agricultural and environmental research: Past, present, and future. Washington, DC: International Food Policy Research Institute (IFPRI). <https://doi.org/10.2499/9780896293915>

⁵⁷ Pyburn, R., ed., and van Eerdewijk, A, ed., 2021.

⁵⁸ UNDP, 2015. Viet Nam: Special Report on managing the risks of extreme events and disasters to advance climate change adaptation. United Nations Development Programme: Hanoi. <https://www.undp.org/vietnam/publications/viet-nam-special-report-managing-risks-extreme-events-and-disasters-advance-climate-change-adaptation>

⁵⁹ McOmber C., Panikowski, A., McKune, S., Bartels, W.L. and Russo, S. 2013. Investigating Climate Information Services through a gendered lens. CCAFS Working Paper No. 42. Copenhagen: CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). <https://hdl.handle.net/10568/27887>

advisories through the extension system and direct-to-farmers (through ICT tools) — could reinforce farmer confidence in adaptation investments. One important takeaway from a World Agroforestry Center and CARE project on agro-climate information in Vietnam is that it is critical to ensure that women and men farmers, including Ethnic Minorities, are able to engage in dialogues with scientists and extension service providers to give feedback on actionability of weather forecasts and accompanying agricultural information⁶⁰.

B. Infrastructure

49. Vietnam has a huge network of irrigation, hydropower, water supply, and hydraulic water management (drainage, flood control, prevention of salinity intrusion) infrastructure. The climate vulnerability of Vietnam's infrastructure (canals, sluice gates, pumping stations, etc.) is often due to poor quality of construction, poor design and inadequate weatherproofing, and the lack of maintenance / degraded state⁶¹: floods and storms can more easily cause damages; droughts and low waterflow renders pumping stations obsolete. For instance, in 2020, Nghe An pumping stations operated well below capacity and over 5,000 ha of rice was lost due to drought and heat waves⁶².

50. Other types of infrastructure have a high exposure to climate risks due to their location: typhoon Damrey generated tidal surge and waves collapsed some dykes in Thanh Hoa in 2005⁶³. For the period 1989 and 2010, Thanh Hoa had the highest number of houses (97,383) destroyed by natural disasters⁶⁴. And a household survey in Nghe An to investigate the household-level impact of floods on vulnerability and welfare found that the economic damage to housing, followed by agricultural damage, was the highest cost⁶⁵. Of course, households may underestimate agricultural flood damages because they may not correlate expenses and opportunity cost of *ex ante* or *ex post* risk mitigation measures that can also be inefficient.

51. A review of public expenditure in 2017 found that while new irrigation investment increased between 2009 and 2012, allocation to O&M declined⁶⁶; thus, enabling community actions for O&M of irrigation canals and stations could play an important role. While the kind of high-resolution data needed to project flood levels for infrastructure investments may not be available, updating maps and improved use of existing hydrological floodplain models could help reduce climate risks⁶⁷.

C. Water and Irrigation Resources

52. Water withdrawal for irrigation is around 66 km³ per year in Vietnam and accounts for around 81% of the total water use in 2017; only 10% of total national renewable water resources is withdrawn. However, water productivity is well below other Asian countries and incomplete structure and water losses have many irrigation schemes operating at only 60-70% of their capacity⁶⁸. Land degradation, water from excessive agro-chemicals use and industry, and continued expansion of cultivation areas⁶⁹ are some of the key factors behind increased vulnerability of water resources to climate change.

53. With the increased temperature projections for Vietnam and CRWIS provinces, changes in river flow, discharge and groundwater recharge are to be expected, along with potential

⁶⁰ Gumucio, T., Hansen, J., Carr, E.R., Huyer, S., Chiputwa, B., Simelton, E., Partey, S., and Schwager, S., 2022. Enhancing climate services design and implementation through gender-responsive evaluation. *Front. Clim.*, 2022 (4). <https://doi.org/10.3389/fclim.2022.908602>

⁶¹ UNDP and FAO, 2021.

⁶² Tran et al., 2022.

⁶³ UNDP, 2015. Vietnam special report on managing the risks of extreme events and disasters to advance climate change adaptation. United Nations Development Program, Hanoi. <https://vietnam.un.org/sites/default/files/2019-07/Final%20SREX%20Viet%20Nam%20%28E%29%20version%20Nov%2027-resize.pdf>

⁶⁴ Nhu, O.L., Thuy, N.T.T., Wilderspin, I., and Coulier, M., 2011. A preliminary analysis of flood and storm disaster data in Viet Nam. https://www.preventionweb.net/files/26598_26598apreliminaryanalysisoffloodand.pdf

⁶⁵ Nguyen, M-H., Le, D.P., and Vo, T.T., 2021. Vulnerability to natural disaster and welfare effect: A case study of flood risk in Vietnam's North Central region. *Journal of Asian and African Studies*, 56(1):1879-1898. <https://doi.org/10.1177/0021909621993499>

⁶⁶ World Bank, 2019. Vietnam: Toward a safe, clean, and resilient water system. World Bank, Washington, DC.

⁶⁷ Katzfey, J.J., McGregor, J.L., and Suppiah, R., 2014.

⁶⁸ ADB, 2022. Agriculture, natural resources and rural development sector assessment, strategy and road map - Viet Nam 2021–2025.

<https://www.adb.org/sites/default/files/institutional-document/763181/viet-nam-2021-2025-agriculture-sector-assessment-strategy-road-map.pdf>

⁶⁹ ADB, 2022.

increase in droughts and floods⁷⁰. An analysis of climate impacts on Ca River basin – the target of CRWIS – found that floods appear earlier and end more than 1 month later in some basins under RCP 4.5 and RCP 8.5 compared to the baseline⁷¹. Changes in evapotranspiration and decrease in rainfall may also result in declining soil water content. In combination with a decrease in rainfall in dry season, this could result in 20% increase in irrigation water demand in 2088-2099 compared to 1980-1990 (as estimated for the Central Highlands)⁷². Across all sectors and during the dry season, a 32% increase in water demand by 2030 under a business-as-usual scenario is projected⁷³. On the other hand, increased frequency of extreme rainfall events could result in soil erosion and degrade inherent soil structure – affecting soil water storage capacity, worsening floods and droughts, and increased siltation in canals and rivers⁷⁴.

54. As a result, while improving water storage and control systems is a key priority, land and water conservation measures (e.g., efficient water-use for irrigation, integrated soil fertility management), and taking an integrated view of land, water and agriculture in planning and development could help mitigate some of the longer-term impacts of climate change⁷⁵. For instance, because irrigation systems were developed for flooded rice, attention to drainage and differences in water demand is required during design and upgrades that are more suited to a shift to high-value crop production⁷⁶.

4) Adaptation Assessment

A. Identifying Adaptation Options

55. This section first describes climate change adaptation and mitigation priorities identified in NDCs because it is important for CRWIS to be responsive to national and provincial climate change strategies and plans. It then summarizes adaptation priorities identified in discussions with stakeholders including development partners (IRRI, JICA, UNDP), province, district and commune officials from DARD, DONRE, DOLISA, etc., representatives from Women’s Union and Youth Union, and individuals from project beneficiary groups (agricultural cooperatives / water user groups, farmers, poor and near-poor households, women, youth, Ethnic Minorities).

56. Vietnam’s NDC (Nationally Determined Contributions) 2022⁷⁷ focuses on both adaptation and mitigation actions. The NDC notes that water flows of main river basins have been lower than average for many years, that droughts and water shortages happen more frequently, and water levels reached historic lows in some places. The NDC also links prolonged heat and droughts to reduction in soil quality and increased risk of soil aridity – resulting in erosion and landslide risks in rainy season. It further elaborates specific climate risks by sector including cultivation, animal husbandry, biodiversity, aquaculture, and transportation – all of relevance to CRWIS. The following (Table 4.A.i) is a summary of CCA gaps:

Gaps identified in Vietnam NDC of relevance to CRWIS outcome areas
Resilience and adaptive capacity of the natural, social and economic systems
- Limited research and application of technical advances in management and sustainable user of water resources
- Shortage of human resources for water management

⁷⁰ Giang, P.O., 2020. Characteristics of temperature and its future scenarios over Nghe An Province of Vietnam in the context of global warming: Implication for land and water management. http://www.discoverjournals.org/climate_change/current_issue/v6/n21/A12.pdf

⁷¹ Huong, H.T.L., 2021. Impact of climate change on seasonal distribution of flows in Ca basin, Central Viet Nam. *Vietnam Journal of Hydrometeorology*. 7:85-95. <http://vnjhm.vn/data/article/1806/8.%20Proofreading.pdf>

⁷² Khoi, D.N., 2013. Impacts of climate change on hydrology in the Srepok watershed, Vietnam. *Climate and Land Surface Changes in Hydrology: Proceedings of H01, IAHS-IAPSO-IASPEI Assembly, Gothenburg, Sweden, July 2013* (IAHS Publ. 359, 2013) 111-117.

⁷³ Giang, P.O., 2020.

⁷⁴ Giang, P.O., 2020.

⁷⁵ Giang, P.O., 2020.

⁷⁶ ADB, 2022.

⁷⁷ GOV, 2022. Nationally Determined Contribution (NDC), Updated in 2022. Government of Vietnam: Hanoi.

- Small number of new varieties of plants and animal that are resistant to climate change
- Incomplete disease control and prevention system for crops and animals
- No financial services or green credit for vulnerable people to access
- Underutilized participation of forestry enterprises in forest protection and development to adapt to climate change
- Solutions to improve and protect the soil environment, prevent and minimize land degradation are still limited
- Declining biodiversity; declining varieties, species and genetic resources
- Development and diversification of livelihoods in response to climate change still face many difficulties. Some models of transformation with good results have not been replicated.
- Local knowledge on adapting to climate change has not been researched, evaluated and guided for preservation and promotion
- Lack of regulations, incentive mechanism and solutions to improve the role and position of women in policy formulation and implementation of climate change response and natural disaster prevention activities at all levels

Adaptive capacity to increasingly extreme climate and disaster due to climate change

- System of hydrometeorological and oceanographic monitoring stations has not fully met the information requirements for modernizing disaster forecasting and warning
- Forecasting and warning of natural disasters still have some limitations, especially with small-scale natural disaster such as flash floods, mountainous floods, landslides etc.
- Investment and construction of key works to respond to natural disasters such as river dykes, sea dykes, reservoirs and land slide preventing have yet to meet requirements

Refining institutions, promoting potentials and resources for effective adaptation to climate change

- Overall lack of guiding documents such as mechanism for sharing information and data on climate change among state agencies
- Integration of gender equality in climate change adaptation
- Awareness of climate change of officials and people is not adequate with the rapid and increasing evolution and impact of climate change
- Integration of climate change into strategic planning prioritized without many specific results
- Impact of climate change on whole region has not been considered, leading to the implementation of adaptation activities for one area that may increase risks for other areas in the region and across multiple regions
- Participation of women and young people in climate change adaptation is still limited
- Coordination between ministries as well as between ministries, sectors and local authorities in CCA is still limited

Table 4.A.i Summary of CCA gaps in NDC 2022

57. The table (Table 4.A.ii) below summarizes key findings from stakeholder consultations during CRWIS design:

Thanh Hoa Province
1. Flood risk reduction measures
2. Salinity risk reduction measures
3. Improved irrigation infrastructure to respond to droughts and floods
4. Enhancement of rural roads
5. Demonstrating agri-business opportunities
6. Net-house agricultural production by women from poor and near-poor communities
7. Demonstration plots for climate-smart agriculture

8. Expanding use of organic manure
9. Reducing water pollution risks from aquaculture production
10. Improved governance and coordination for water resources management
11. Sharing weather and climate information
12. Inclusion of gender considerations in design and implementation of irrigation-related activities
13. Ensure adequate water for vegetable / fruit farming for women and youth farmers
14. Community sensitization and awareness raising on GEWE and social inclusion, and investment in leadership skills for women and youth
15. Small loans for women's economic empowerment
16. Increase women's access to and participation in agriculture- and climate-related trainings
Nghe An Province
1. Drought risk reduction measures
2. Improved irrigation infrastructure to respond to droughts, flash floods and floods
3. Reducing riverbank erosion
4. Demonstrating and facilitating agri-business models
5. Net-house agricultural production by women from poor and near-poor communities
6. Expanding use of organic manure
7. Sharing weather and climate information
8. Ensuring rice production area and rice productivity is not reduced
9. Demonstration plots for climate-smart agriculture
10. Better maintenance of irrigation infrastructure by communities
11. Functional agricultural cooperatives / water use groups
12. Replicating microbial manure production and use
13. Ensuring water supply for women's plantation plots

Table 4.A.ii Summary of stakeholder priorities for irrigation and agriculture sector

B. Identification of Target Value Chains under CRWIS

58. As stated earlier, CRWIS will focus on several crops that smallholders cultivate as well as livestock and aquaculture value chains that they are engaged in. While further prioritization and narrowing down of value chains might occur during implementation phase, it is unlikely that the diversity of crops farmers grow will undergo substantive change in the 4-year project period. All crops are exposed to climate risks, with rice and maize particularly vulnerable.

59. As results from IFAD's CARD tool (Figure 4.B.i) shows, without irrigation, most crops of interest to smallholders in Nghe An and Thanh Hoa will experience a decline in yields; with access to irrigation, the rate of yield decline falls. Rice and maize yields may decline up to 3.95% and 3.1% respectively by 2030, cassava by 5%, and groundnuts by 5.3%. If fully irrigated, while crops such as maize, cassava and groundnuts still experience a decline of 0.4%, 2.6%, and 1.7% of yields respectively by 2030, this is lower than the "no irrigation" scenario. Rice yields will decline by 2.2% even under full irrigation, indicative of other complementary climate-smart measures needed and potentially hard limits to adaptation.

60. Vietnam's NDC estimates far larger declines in rice and maize yields: 8.8% and 18.7% by 2030, and 15.1% and 32.9% in 2050 respectively, in general (i.e. without reference to irrigation scenario).

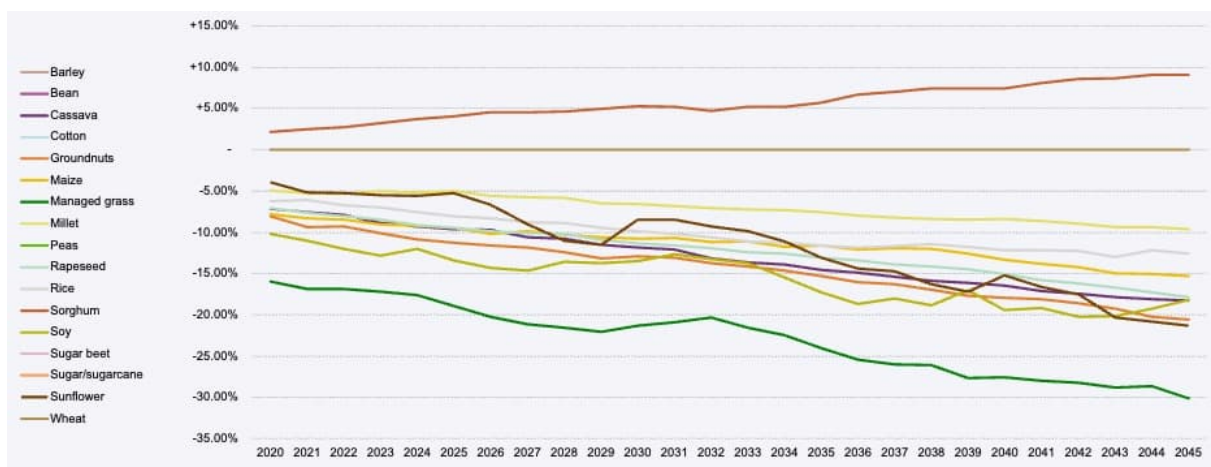


Figure 4.B.i. Changes in yield for major crops in Vietnam between 2020 and 2045 under “no irrigation”

C. Assessing and Selecting Adaptation Options for CRWIS

61. This section provides an overview of the National Adaptation Plan for 2021-2030⁷⁸ with a vision to 2050, and how CRWIS can align with NAP objectives and strategic priorities. NAP’s objectives are to “(i) Strengthen the resilience and adaptive capacity of natural, economic and social systems through investing in adaptation actions, science and technology, capacity building and awareness raising to be ready to adapt to CC; (ii) Reduce natural disaster risks and minimize damages, be readily prepared to response to increasing CC-induced natural disasters and climate extremes; (iii) Improve the effectiveness of CCA through intensifying the State management of CC response and promoting the integration of CCA into strategies and plans”.

62. Both Component 1 and 2 aim to ensure climate-resilience of all investments; therefore, CRWIS will align with Vietnam’s on-going CCA projects and programs, which focus on improvements to the resilience and adaptive capacity of the social and natural systems as follows.

63. Monitor climate, make early warning on natural disasters: While DONRE produces assessments of climate risks and proposes actions to the Provincial Master Plans, the integration of climate considerations in planning and management processes of DARD – particularly for water management could be improved. Vietnam’s national and regional hydrometeorological systems have several gaps – namely, sparse observation network, inadequate translation of agro-meteorological information into context-specific, timely and actionable advisories for farmers, and inadequate staffing and technical capacity at province and district levels. Therefore, a focus on downscaling existing weather and climate information for application to CRWIS value chains and to improve decision-making by irrigation companies, DARD and other water users is important. Finally, early warning on specific risks is limited by lack of updated maps (e.g., flood risk mapping), inadequate monitoring mechanisms (e.g., salinity), and limited utilization of ICT infrastructure (given high ownership of smartphones even in rural areas) to raise awareness and issue warnings. Where systems exist – e.g., 5-day warning on storms, 3-day warning for depressions, 3–5-day warning on floods, etc. and mapping of risks such as landslides – these do not appear to be actively in use.

⁷⁸ MONRE, 2022. Report on National Adaptation Plan for the period 2021-2030, with a vision to 2050. Ministry of Natural Resources and Environment, Government of Vietnam: Hanoi.

64. Respond to natural disasters, prevent flooding in big cities, and consolidate river and sea dykes and reservoirs' safety: CRWIS investments in Thanh Hoa will upgrade dykes to recommended height and width standards. However, these standards were developed as a part of the 2017 Master Plan, and its adequacy as regards evolving climate risks and forecasts should be re-assessed as a part of the technical feasibility and engineering studies.

65. Ensure food security: A key rationale for irrigation infrastructure upgrades is ensuring adequate water availability for rice cultivation in multiple seasons in order to ensure yield stability and increased productivity (where feasible) through drought and flood risk reduction. Supporting cultivation of high-value crops by increasing market linkages, enabling shifts in soil and water management practices on-farm with CCA and CCM benefits, promoting sustained adoption of climate-smart agricultural technologies and practices, and supporting sustainable aquaculture farming are all activities that can increase smallholder incomes from agriculture and promote climate resilience.

66. Ensure water security: CRWIS will help modernize and increase effectiveness of irrigation infrastructure through climate-proofing. Activities that support increased technical capacity of DARD and DONRE to determine river flows and incorporate climate risks as well as support to agricultural cooperatives / water user groups can improve water management and reduce risks of conflicts.

67. CRWIS will also respond to several gaps identified in CCA actions of Vietnam, including:

- Prevent the decline, degradation, and recovery of natural resources: through enhancing access to information on climate trends and forecasts for local communities and promoting solutions to improve soil and on-farm water management.
- Promote agriculture and food security: through ensuring agricultural production can better link and benefit from market demands, increased adoption of high-quality and stress-tolerant seeds and planting materials and integrating weather and climate information into the extension systems.
- Ensure social security and gender equality: through focusing on women's crucial role in CCA and focusing on their unique priorities and needs and enabling their access to information and providing training develop their leadership and technical skills. A similar strategy will be adopted to ensure poor / near-poor households and Ethnic Minorities are able to fully participate and benefit from project activities.
- Improve capacity on CCA-related expertise in provinces and CCA integration at local level: through increased awareness, specialised trainings on climate resilience and climate-smart agriculture, and consistent integration of climate change considerations into Master Plans and ensuring programs / projects with high CCA potential are prioritized for investment.
- Science and technology: through demonstration of new technologies and practices for climate-smart agriculture.

D. Prioritizing Adaptation Options

68. A database of adaptation options and a system for the assessment and prioritization of these options have been developed as part of IFAD's Targeted Adaptation Framework. The prioritization process consists of two main elements. First, adaptation options are filtered based on the project components and climate risks identified during the climate screening process. A Multi-Criteria Analysis (MCA) is then carried out on the shortlisted adaptation options to help select measures to integrate into the project using the following criteria:

- Technical feasibility
- How relevant and effective is the option at addressing climate risks in the project context

- Accessibility to smallholder farmers
- Flexibility i.e., avoiding lock-ins
- Mitigation co-benefits potential
- Transformation potential
- Complementarity to IFAD mainstreaming themes
- Cost-benefit ratio

69. The prioritizing adaptation options system uses a simple scoring approach (see table below) based on the eight criteria listed above. The following criteria require a minimum score of 2: technical feasibility, addresses climate risks, accessibility for smallholder farmers, and cost benefit analysis. Options that score lower than 2 on any of these criteria are considered unsuitable for the CRWIS. Adaptation options with the highest scores are most suitable for a project.

Scoring Criteria				
No.	Theme	1	2	3
1	Technical Feasibility	No experience in implementing solution	Consultants available with suitable skills	Previous IFAD experience with solution
2	Addresses Climate Risk	Adaptation option is not relevant or may not be effective for the risks identified	Adaptation option effectively addresses at least one of the identified risks	Adaptation option is relevant for all of the major climate risks identified
3	Accessibility for farmers	Adaptation option is inaccessible for the main project beneficiaries (e.g. unaffordable, requiring regular complex maintenance), or exacerbates existing inequalities.	Adaptation option is accessible for the majority of the project's target beneficiaries.	Adaptation option is accessible to project beneficiaries and specifically benefits women or other marginalised groups.
4	Flexibility (avoids lock-in)	The adaptation option has a long life-time (>10 years) and its design does not allow for any adjustment.	The adaptation option being considered has a short lifetime (less than 10 years).	The adaptation option is low or no regrets or is part of an adaptive management approach.
5	Mitigation Co-benefits	No mitigation co-benefits or adaptation significantly increases greenhouse gas emissions.	Adaptation option leads to emissions reductions, either at present or in the future.	Adaptation option involves reforestation, restoration of carbon sinks, or the substitution of fossil fuels for renewable energy sources.
6	Transformative potential	Adaptation option is limited to small increases in the resilience of target group, but does not involve changes in wider systems.	Adaptation option operates at scale or enables wider implementation of the option, for instance with a declining marginal cost.	Adaptation option enables change in the system in question which significantly increases opportunities for target beneficiaries to adapt to climate change.
7	Complementarity to	No complementarity.	Complements at least one other	Complements more than one other cross-

	IFAD themes		cross-cutting theme that is directly relevant to adaptation outcomes.	cutting theme to support systemic resilience.
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Table 4.D.i Scoring criteria used to prioritize potential adaptation options

70. The results from the Adaptation Options prioritization are shown on the next page. All the options scored above average and are deemed suitable to varying degrees.

71. Adaptation options that are effective at targeting smallholders, complementary to IFAD mainstreaming themes, and offer multiple benefits such as mitigation and environmental protection should be favored owing to strong linkages between climate, environment and biodiversity; the broad range of potential future climate change impacts and their inherent uncertainties; and the vulnerability of IFAD’s target groups. These adaptation options should be validated, and final selection made during the early implementation phase through thematic technical feasibility studies and stakeholder engagement.

No	Adaptation Option	Technical Feasibility	Addres ses Climate Risk	Accessi bility for farmer s	Fle xibilit y	Miti gati on Co-ben efit s	Tran sform ative potenti al	Co mpl ement arit y to IFA D the me s	CB A ⁷⁹	Tot al Sco re
Relevant to the design of Component 1										
1	Upgrade and rehabilitate irrigation canals (primary and tertiary), including concretization to reduce evapotranspiration and leakage as well as reduce impacts of droughts	3	3	2	3	2	3	3	3	22
2	Upgrade or relocate pumping stations to respond to drought	3	3	2	3	2	3	3	3	22
3	Upgrade and climate-proof rural roads (e.g., asphalt) to make them all-weather, offer evacuation routes during floods, etc.	3	3	3	3	2	2	3	3	22
4	Upgrade and climate-proof buildings housing pumping stations to reduce risks to personnel and equipment	3	3	2	3	2	3	2	3	21
5	Upgrade dykes (width and height) for flood-protection to recommended standards	3	2	3	3	1	3	3	3	21
6	Upgrade sluice gates for improved drainage and to handle higher volumes of water during floods	3	2	3	3	2	2	2	3	20
7	Update and re-construct flood risk maps, and expand salinity monitoring	2	2	2	3	2	3	3	3	20
Relevant to the design of Component 2 (hard investments have potential to be included in Component 1)										
8	Identify and target the most climate vulnerable households, women-headed households and women farmers, and Ethnic Minority farmers for climate-smart agriculture demonstration and piloting	3	3	3	3	2	3	3	3	23

⁷⁹ A detailed cost-benefit analysis has not been conducted; these are preliminary assumptions based on evidence from secondary literature and will need to be validated to Vietnam's unique context and circumstances.

No	Adaptation Option	Technical Feasibility	Addres ses Climate Risk	Accessi bility for farmers	Fle xibi lity	Miti gati on Co-ben efit s	Tran sform ative potenti al	Co mpl ement arity to IFA D the me s	CB A ⁷⁹	Tot al Sco re
9	Capacitate farmers and water user groups with climate information and better management of water (to support AWD, SRI and other irrigation management options)	3	3	3	3	3	2	3	3	23
10	Capacitate agricultural extension officials on climate resilience and raise awareness of climate-smart agriculture	3	3	3	3	3	3	3	3	23
11	Improve communication and coordination between various institutional stakeholders, and between stakeholders and communities on water management	2	3	3	3	2	3	3	3	23
12	Develop formal mechanisms for provincial DONRE and DARD officials to meet, discuss, and develop agro-climatic advisories for farmers (weekly, seasonal forecasts) in a manner that is understandable, actionable and timely	2	3	3	3	3	3	3	3	23
13	Implement the Integrated Pesticide/Insecticide Management Plan	3	3	3	3	3	2	3	3	23
14	Promote the use of manure and compost to improve soil quality and soil water retention	3	3	3	3	3	3	2	3	23
15	Support communities to strengthen watershed management and reduce riverbank erosion (plantation of trees or vetiver grasses, ecological embankments, degraded land reclamation)	2	3	3	3	3	3	2	3	22
16	Enable farmers and agricultural cooperatives to shift crop calendars (e.g., changing planting time) as adaptation to climate change through use of climate information	3	3	3	3	2	2	3	3	22
17	Demonstrate and promote small-scale water conservation systems (e.g., drip irrigation for herb / flower tea plantations)	2	3	3	3	2	2	3	3	21

No	Adaptation Option	Technical Feasibility	Addres ses Climate Risk	Accessi bility for farmer s	Fle xibili ty	Miti gati on Co-ben efit s	Tra nsf orm ative pot enti al	Co mpl em ent arit y to IFA D the me s	CB A ⁷⁹	Tot al Sco re
18	Implementation of a Household Methodology for improved gender relations at household and group levels to enhance climate resilience	2	3	3	3	1	3	3	3	21
19	Gender mainstreaming and youth empowerment for increased climate adaptive capacity	2	3	3	3	1	3	3	3	21
20	Conduct technical studies on value chains, markets and climate vulnerability to refine and inform project implementation	2	3	3	3	1	3	3	3	21
21	Demonstrate and promote use of conservation agriculture (no or zero tillage, residue retention, intercropping) for crops such as maize, soybean (directly seeded after rice harvest), etc.	2	2	3	3	3	3	2	2	20
22	Promote natural forest regeneration, particularly on degraded slopes and monoculture plantations to reduce soil erosion and landslide risks	2	3	2	2	2	3	3	3	20
23	Demonstrate and promote use of sustainable intensification for rice i.e., line seeding instead of broadcasting	2	2	3	3	3	3	2	2	20
24	Demonstrate and support use of net-houses for poor, near-poor and women farmers	3	2	2	3	3	1	3	3	20
25	Demonstrate the potential for and support the use of large-scale composting using compost turners (may need to be imported from Thailand or Cambodia) with a focus on poor, near-poor and women farmers	2	2	3	3	3	2	3	2	20
26	Support adjustment of crop calendars to salinity intrusion, flood, drought and other risks	3	3	3	3	2	1	3	2	20

No	Adaptation Option	Tec hni cal Fea sibil ity	Add res ses Cli mat e Ris k	Acc essi bilit y for far mer s	Fle xibi lity	Miti gati on Co- ben efit s	Tra nsf orm ativ e pot enti al	Co mpl em ent arit y to IFA D the me s	CB A ⁷⁹	Tot al Sco re
27	Creating an enabling environment for more widespread uptake of climate solutions by women, particularly women from poor/near poor groups and women from Ethnic Minority groups	3	3	3	2	1	3	3	2	20
28	Training women to be resource persons particularly for greater outreach to women farmers and their uptake of best practices and technologies	3	3	3	2	1	3	3	2	20
29	Implement accessible ICT-based early warning and climate information services for farmers	2	3	3	2	3	2	1	3	19
30	Demonstrate use of machinery / tractor attachments such as direct seeder to support sustainable rice intensification	2	2	3	2	3	3	2	2	19
31	Demonstrate and promote use of land levelling for all crops, including the use of laser guided levelling for improved drainage and reduction in soil erosion risks	2	3	3	2	3	2	2	2	19
32	Promote sustained adoption of stress-tolerant rice and maize varieties	3	2	3	3	2	2	1	3	19
33	Demonstrate and promote cropping system diversification to select crops that are more resilient to forecasted climate impacts	3	2	3	2	2	2	3	2	19
34	Invest in increasing the collective capacity and knowledge of women and youth to take climate action (through livelihood diversification, new cropping techniques, rainwater harvesting, organic input production, and solid waste management)	3	3	3	2	1	2	3	2	19
35	Enable better access to finance so project beneficiaries can invest in increasing resilience of agricultural production	2	3	2	3	2	3	3	3	19

No	Adaptation Option	Tec hni cal Fea sibil ity	Add res ses Cli mat e Ris k	Acc essi bilit y for far mer s	Fle xibi lity	Miti gati on Co- ben efit s	Tra nsf orm ativ e pot enti al	Co mpl em ent arit y to IFA D the me s	CB A ⁷⁹	Tot al Sco re
36	Promote linkages between farmers and agri-business enterprises	3	2	2	3	1	2	3	2	18
37	Ensure government programs provide timely and adequate assistance post disasters using existing budgets	3	3	3	3	1	1	2	2	18
39	Testing new climate innovations based on local needs and opportunities (such as organic farming) to tackle the twin challenges of climate change and gender inequality based on findings from the gender norms assessment	3	3	3	2	1	2	2	2	18
40	Offer financial support and incentives to commune administration to improve canal operations and maintenance, including waste management to ensure unimpeded flow of water	3	2	2	3	2	1	2	2	17
41	Promotion of labour- and time-saving technologies such as provision of water access points and other facilities to ease women's access to water for their vegetable gardens and household drinking and cleaning needs	3	3	3	1	1	2	2	2	17
42	Demonstrate and promote mangrove fish farming systems in Thanh Hoa as an alternative to intensive aquaculture	2	2	2	2	2	2	2	2	16
43	Promote and support rainwater harvesting structures (ponds, tanks), particularly in more upland areas	2	3	2	2	1	2	2	2	16
44	Support options that secure water availability for livestock during droughts	3	2	2	2	2	1	2	2	16

E. Monitoring Adaptation

73. The adaptation options have been designed into CRWIS components, and final selection and implementation will be monitored by the Department of Agricultural Development through the provincial PMU with oversight from Environmental and Climate Officer in coordination with Livelihood and Value Chain Coordinator, Livelihood and Value Chain Officers, and Gender and Social Inclusion Officers. IFAD country office and regional team will also provide guidance support throughout the duration of the project.

74. Monitoring is critical in ensuring the long-term success of climate adaptation initiatives, plans and actions. It plays an important role in the following aspects of adaptation. M&E can be conducted on quarterly and annual basis.

- It tracks performance of activities undertaken during the development of an adaptation plan (e.g. stakeholder engagement activities).
- It tracks pre-identified risk thresholds/trigger levels which identify when new adaptation actions should be undertaken.
- It determines whether planned outputs and outcomes from adaptation actions have been achieved.
- It determines whether changes should be made in terms of adding/removing the action(s) or adjusting in line with the prevailing environment.
- Monitoring will also assist the project to determine whether the actions are incurring any unanticipated side effects.

F. Costs and Budgetary Considerations

75. The cost of implementing adaptation options have been integrated into Components 1 and 2.