

Interim Evaluation 2008

Cooperative Project “Waste Water Disposal in Provincial Towns”, Vietnam

Brief Report

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This report was produced by independent external experts.
It reflects only their opinion and assessment.

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Evaluation Unit

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Tabular overview

The evaluation mission

Evaluation period	June 2008 - December 2008
Evaluating institute/ consulting firm	AGEG Consultants eG, Kirchheim u. Teck
Evaluation team	Prof. Dr. Frank Bliss (international expert) Bui Thu Huong (national expert)

The development measure

Title of the project/programme according to the order	Cooperative project "Waste Water Disposal in Provincial Towns", Vietnam
Project/programme number	2000.2208.7
Overall term broken down by phases	Overall term from 02/2005 to 01/2013 <u>1. phase</u> from 02/2005 to 06/2008 <u>2. phase</u> from 07/2008 to 06/2011 <u>3. phase</u> from 07/2011 to 01/2013
Total costs	<u>1. phase</u> : Total: 5,988 Mill. EUR; German contribution: 3,288 Mill. EUR <u>2. phase</u> : Contribution Technical cooperation 6,5 Mill. EUR (budgeted)
Objective of the project/programme	<u>Overall objective</u> : Municipal companies in six provincial towns operate the upgraded storm and waste water systems cost- effective and according to plan (modification offer 12/2006). <u>Objective for phase I</u> : Municipal companies in up to six provincial towns operate existing storm and waste water systems in accordance with the regulations and comply with preconditions for assuming the additional tasks related to the upgrading of the systems (repetition offer 03/2004; not mentioned in the modification offer 12/2006).
Lead executing agency	Ministry of Construction, MoC
Implementing organisations	Municipal sewage companies of the six provincial towns - Bac Ninh and Hai Duong (North Vietnam) - Vinh (Central Vietnam) - Can Tho, Soc Trang and Tra Vinh (South Vietnam)

Other participating development organisations	Cooperative project with KfW, DED and InWEnt according to the contract of cooperation from 05/2006
Target groups	The population in the six provincial towns. All parts, including poorer sections of the population are to benefit from the cooperative project.

The rating

Overall rating <i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i>	3
Individual rating	Relevance: 1; Effectiveness:3; Impact: 3; Efficiency: 3; Sustainability: 3

The evaluation was carried out on behalf of GTZ by Dr. Frank Bliss (international expert) and Mrs. Bui Thu Huong (national expert) of AGE Consultants eG. The mission in Vietnam took place in November 2008.

The project was evaluated in accordance with the five OECD-DAC evaluation criteria and the GTZ evaluation guidelines. Secondary analyses of the numerous existing project and sector documents as well as half-standardised and open interviews served as the principal evaluation methods.

The subject of the evaluation was the project “Waste Water Disposal in Provincial Towns, Vietnam” which is implemented in the framework of a cooperative project with the German Development Bank (KfW). The evaluation includes the project activities of the first phase as well as the planning of the second phase.

Starting situation: Despite an annual economic growth of 7%, Vietnam remains a low-income country. Vietnam’s economic policy still aims at a poverty-oriented growth; however income disparities increase faster and faster.

Only 50 to 60% of the households in big cities have access to the sewerage system. While in city centres it is up to 100%, far less households have access in outlying districts. According to the current five-year development plan, a sewage treatment is to be effected in all medium and big cities of the country as well as in 50% of the small towns by 2010. With the decree 88/2007 the required general framework has been established in the course of the past two years. The authority responsible for new investments in waste water is the *Ministry of Construction* (MoC). Municipal sewage companies are in charge of waste water disposal in the provincial towns. Apart from insufficient sewerage systems and a lack of sewage plants and pumps, the core problems of the management are mainly outmoded management structures as well as lacking finances for the operation of the plants.

Project objective and conception: The overall objective of the project is “Municipal companies in six provincial towns operate the upgraded storm and waste water systems cost-effectively and according to plan”. The conceptual approach refers to two levels: On the national level, the capacities of the *Ministry of Construction* (MoC) are enhanced in the sewage and waste sector by advisory service to professionals and executives of the Department for Urban Infrastructure (component 1).

A second main focus of the project is the promotion of companies in six provincial towns (component 2). Municipal companies are supported (modernization of organizational structures, introduction of socially responsible sewage fees) to operate existing storm and waste water systems in accordance with the regulations and to handle the new sewerage

systems upgraded with support of financial cooperation. Component 2 of the project has also developed the legal basis for the regulation of waste water disposal (decree 88/2007).

The target group of the project is the population of the six partner municipalities. All parts of the population, including the poor, are to benefit from the measures.

Assessment of the project concept: The evaluation team assessed the objectives of the project and its concept as realistic and appropriate. The cause/effect hypotheses are clear and well-founded. Since poorer parts of the population benefit from the measures only through longer result chains, the classification of the project in the German poverty category MSA (contribution to comprehensive poverty reduction) appears to be justified.

The project plan of 2004, which had merely included the current component 2, was adjusted in 2006. The new additional component 1 "Enhancement of the capacities of the MoC" has proven to be a useful extension, since it supports the legal back up of the work in the municipalities, such as the introduction of cost-effective tariffs which are to facilitate the sustainable management of waste water disposal, or the institutional restructuring of the sewage companies.

The indicators measuring the projects objectives results are very technical. They refer to discharge values and to the operation of pumps, but do not consider the satisfaction among the population with the improvements which is crucial for the acceptance of sewage fees. It is furthermore problematic that the indicators presuppose the successful implementation of the measures delivered by financial cooperation (construction of sewage plants in the municipalities). Due to delays in the decision-making of the People's Committees, the work cannot be completed in time; consequently all indicators which presuppose the operation of these plants are problematic.

Assessment of the implementation: The technical implementation of the measures for both components is rated good to very good by the Vietnamese side. Together with the activities of other donors, the project played an important role in redesigning the legislation. There are however delays in the construction work which effect the progress of the project. Some partial objectives could therefore not be achieved by the time of the evaluation: As a result, the test run of the new plants as well as the instruction for the new maintenance equipment could not yet been realised.

The directors and heads of department in the sewage companies nevertheless considered the support of the project as "just in time" - especially in 2007 and 2008, when a new legal basis for the regulation of waste water disposal was introduced. Further positive contributions

were made by the project when the management structures of the sewage companies were reorganised, especially with respect to the company-customer-relationship.

The project has been less active in the town-districts, even though relations with municipal district- administrations were established. Consequently, the participation of the population – e.g. in health-care measures – have not made much progress. Some of these tasks were postponed to the second phase.

Assessment according to the OECD-DAC criteria: The overall rating of the project is “satisfactory” (3).

The relevance of the development measure is rated “very good” (1), since the project corresponds to the Vietnamese development priorities (in the fields of environment, water and the objectives of the five-year plan) as well as to the German priorities of development cooperation. With reference to the municipalities and the sewage companies the project is considered to be very relevant, since it expedites the previously rather slow implementation of governmental guidelines in provinces and municipalities. The relevance of the project was increased considerably through the flexible support provided to the government when elaborating the decree 88/2007 on short notice. The very good rating is made although it is not yet clear to what extent poorer households can get access to sewerage systems at affordable rates.

The effectiveness of the project is rated “satisfactory” (3)¹. The positive results of the project prevail due to its very good contributions to Good Governance (unfortunately the indicators do not sufficiently consider these aspects). With respect to component 1, improvements were noticed in capacity development of the MoC sewage management. Component 1 and 2 show very different degrees to which objectives have been achieved. Some of the deficits are to be compensated in the second project phase. There have been some delays in the construction measures (however the project cannot be held liable for this).

The impact of the project is rated “satisfactory” (3). It can be assumed that the project will indirectly contribute to the promotion of health, which might result from better housing sanitation and reduced water-related diseases. The intended improvements require infrastructural measures as well as an improved awareness of hygiene among the population, the latter cannot be perceived so far. On the basis of these realities no substantial improvements can be observed in town-districts and individual households – a situation that can also be attributed to the delays in investments mentioned above.

¹ See Annex 1.

The efficiency of the project is rated “satisfactory” (3). The good coordination of activities within the donor community contributes to the efficiency of the project. The advisory services to the MoC have been provided with a modest use of funds. The services were delivered at the right time and are appropriate in view of the desired objectives. In the sewage companies, extensive advisory services were provided. The efficiency of these services is reduced considerably due to the geographical spread of the six selected partner municipalities in South-, Central- and North-Vietnam. The support therefore requires high logistical efforts, which results in a satisfactory rating of the efficiency.

The sustainability is rated “satisfactory” (3). The course has been set for a sustainable establishment of the previously only partially effective reforms on the national level. This also concerns the positive changes on the level of the sewage companies. However it remains to be seen to what extent these measures have a continuous and sustainable effect on the target group. For a sustainable establishment of improved hygiene behaviour in the individual households, especially with regard to waste disposal, a direct cooperation with the neighbourhoods is necessary.

Gender and poverty related impact: Although it is assumed that women and men benefit from the project measures to a similar extent, the experts do not see any explicitly positive impact of the project on gender equality. The impact of the project on the poor cannot be foreseen at this stage. It can however be presumed that only part of the urban poor benefit from the project measures, as their proportion in the promoted city centres is relatively small.

Conclusions and recommendations: The multilevel approach of the project has proven to be worthwhile. In the course of the implementation, the medium level (People`s Committees and Councils) turned out to be of great importance in Vietnam and should be involved even more in the future.

The experts make the following recommendations:

- The People`s Committees should be involved even more in the future, since they are the decision makers in financial matters of the municipal companies. This would help to communicate the advantage of investing in sewerage system.
- The participation of the population should be strengthened. Topics such as water-, sewage- and waste-fees, water hygiene and waste-management could be discussed in a dialogue with neighbourhoods, women groups etc..
- The good cooperation with other donors should be continued; and a German involvement in the mobilisation of the Urban Forum (forum in the MoC for the coordination of donor activities) should be considered.

- Efforts to improve the socio-economic data basis should be linked to the envisaged extension of the projects activities to other municipalities. More attention should be paid to the involvement of poorer households.
- Reduced sewage-fees should be fixed for poorer households. The sewage companies should be supported financially by the provinces –if necessary- to assure a cost-effective management. An average upper limit of 4% of the income for water supply, sewage and waste disposal is recommended.
- The plants for decentralised waste water disposal, which are planned for the second project phase should be established particularly for poorer households.

Annex 1: Graphical display of objectives' achievements according to indicators

Cooperative Project „Waste Water Disposal in Provincial Towns”, Vietnam

Indicator 1:
 In all six provincial towns, storm and waste water from the districts with access to the sewerage system is being led to treatment plants whose cleaning capacity is in accordance with the monitoring values defined in the plant layout.

Rating: Not achieved

Overall objective
 Municipal companies in six provincial towns operate the upgraded storm and waste water systems cost-effective and according to plan.
 [Overall objective and indicators refer to the cooperative project and the common achievement of objectives of the technical and financial cooperation components]

Indicator 2:
 All newly established pumping stations for flood protection are being operated according to the plant layout and lead to a measurable reduction of floods caused by backwater.

Rating: Not achieved

Indicator 3:
 In all six provincial towns, the discharge values of waste water treatment plants are being monitored by the environmental authority in charge, according to the valid legal regulations.

Rating: Not achieved

Indicator 4:
 In all six provincial towns, the running costs of the upgraded sewerage systems can be financed through resources from waste water tariffs.

Rating: Not achieved

Indicator 5:
 National ministries and authorities use the project experience for the formulation of practical laws, standards and guidelines for waste water management.

Rating: Not achieved

Component objective 1
 The capacities of the MoC in the sewage and waste sector are enhanced.

Indicator 1:
 A needs analysis for further professional training which is coordinated interdepartmentally in the MoC, takes into account the current qualification of the staff and the fields of activity of the MoC in sewage and waste management (MoC is in receipt of the agreed needs analysis for approval).

Rating: Partly achieved

Indicator 2:
 Analysed experiences in the planning, construction and operation of sewerage systems in the provincial towns involved are being deposited by MoC employees in an information system which can be accessed by municipalities (checked by an external expert).

Rating: Not achieved

Indicator 3:

Not less than 3/4 of the partner specialists in the Department for Urban Infrastructure (presumably 8) are better qualified for the performance of their tasks in sewage and waste management.

Rating: Mainly achieved

Indicator 4:

At least 3 relevant sewage and waste issues (e.g. employment of cesspits, fabrication of leak-proof pipe couplings, prevention of backwater, reduction of emissions caused by waste disposal sites, increase of local revenues) are discussed in publications and/or symposia.

Rating: Mainly achieved

Component objective 2

Municipal companies in up to six provincial towns operate existing storm and waste water systems in accordance with the regulations and comply with preconditions for assuming the additional tasks related to the upgrading of the systems.

Indicator 1

All executives of the six municipal companies involved comply with the preconditions for assuming the tasks according to their job descriptions and are assessed on a regular basis.

Rating: Mainly achieved

Indicator 2

In all six provincial towns involved, capacity overloads and maintenance works are registered and tracked by means of an inspection programme for an average minimum of 50% of the main sewers.

Rating: Not achieved

Indicator 3:

In all six provincial towns involved, cost-effective sewage fees which burden the household income with no more than 5% are brought forward to the People's Committees and Councils for approval.

Rating: Not achieved

Indicator 4:

In at least one urban district of each of the six provincial towns, more than 60% of the households with access to the sewerage system are informed about their rights and obligations with regard to waste water disposal.

Rating: Partly achieved

Indicator 5:

2/3 of the executives in the six municipal companies involved and in the ministries in charge (MoC and MoNRE) confirm in a representative survey that they are informed about project activities and experiences.

Rating: Probably achieved