Emerging Good Practice in Urban Water Projects

**Vietnam: Da Nang Priority Infrastructure Investment Project**

Task Team Leader: Cuong Duc Dang  
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**Project Objectives & Challenges**

The majority of the urban poor in Vietnam live in areas with limited access to services. Low-income areas within cities are characterized by high population densities, poorly maintained infrastructure and inadequate social services. The project is focused on Da Nang, the fourth largest urban area in Vietnam and the most important international gateway linking the Central Region with the international market. Da Nang City provides significant subsidies for the operation of the wastewater and drainage services and tariff levels are extremely low.

The project aims to improve the efficiency, effectiveness and sustainability of urban services in Da Nang City through a package of priority investments including urban upgrading, environmental infrastructure improvement and strategic road access construction. Furthermore, it supports measures for institutional strengthening in investment planning and in the management of urban services.

The project seeks to increase the percentage of private household connections from 55 to 80 percent in five years. For wastewater, the project seeks to increase the connections from 50 to 75 percent of households. Approximately 27,000 wastewater connections will be financed by the project.

**Client Initiatives for Improved Governance in the Water Sector**

The Government of Vietnam’s Orientation for Urban Development to Year 2020 identified three key priority constraints which the Government seeks to address: (i) lack of infrastructure; (ii) environmental degradation; and (iii) limited capacity to plan and manage rapid urban growth.

**Governance Measures Supported by the Project**

The project has developed a Governance and Transparency Action Plan and will be subject to enhanced supervision. The governance framework has been kept as simple as possible to ensure ease of implementation, promote future scalability, and minimize potential delays. Governance and anti-corruption monitoring reports will be produced to effect project decisions and fund allocations.

**Accountability**

The financial sustainability of the project will be promoted through an agreement on workable cost-recovery arrangements for urban service provision. Da Nang People’s Council and People’s
Committee have expressed strong commitment by passing a formal resolution for the Project Cost Recovery and Reference Wastewater Tariff Increase Schedule up to 2015.

Project monitoring will in part be based on baseline household surveys, focus group discussions and scorecards.

The project supports the development of a complaint handling mechanism for both stakeholders and potential vendors. The mechanism includes:

- Provision of phone hotlines, project website and in-person complaint mechanism,
- Development of a protocol for processing complaints and publicizing protocol, including standards for service and indicators to measure the performance of authorities in addressing complaints;
- Procedures and rules for escalating unsolved problems, and guidance on sanctions and remedies.

Transparency
All project related documents were disclosed locally in the city People Committee, the provincial Department of Natural Resources and Environment, the Project Preparation Unit, project district. Documents will be accessible to local NGOs and project-affected people.

Participation
To ensure engagement and strong civil society oversight, community leaders and the community will participate in inspecting/monitoring the quality and environmental impact of the investment during the implementation and operation of the project.

Community leaders and community members will participate in preparation of Community Upgrading Program and Community Environmental Management Plans by filling in the questionnaire and contribute their ideas in group discussions and meetings.

Ward People’s Committee, associations, organizations and unions will jointly launch the program to disseminate information about epidemic prevention and environmental issues.

Reference Documents and Contacts

For more information on this project, please visit:

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This note is part of a review of infrastructure sector projects to identify emerging good practice within the governance and anti-corruption (GAC) agenda under the GAC in Infrastructure initiative by the Transport, Water and ICT Anchor. The focus is on GAC measures designed to improve accountability, participation and transparency by client sector institutions. The purpose of this series is to provide information that may be of interest to those involved in designing and implementing projects in the water sector.

The series is based on a review of project documents in recently approved projects. Therefore, no attempt has been made to evaluate the effectiveness of the measures introduced. Task Team Leaders for the featured projects have reviewed the notes and, in some cases, provided additional information.

The GAC in Infrastructure website provides links to publications and additional reference materials.

Prepared by Maj Fiił-Flynn Oct 2010