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Vietnam Industrial Pollution Management Project (P113151)

EAST ASIA AND PACIFIC | Vietnam | Environment & Natural Resources Global Practice |
IBRD/IDA | Investment Project Financing | FY 2013 | Seq No: 11 | ARCHIVED on 20-Apr-2018 | ISR31553 |

Implementing Agencies: Ministry of Planning and Investment, State Bank of Vietnam, Ministry of Natural Resources and Environment

Key Dates

Key Project Dates

Bank Approval Date:25-Oct-2012
Effectiveness Date:25-Mar-2013
Planned Mid Term Review Date:02-Nov-2015
Actual Mid-Term Review Date:01-Dec-2015
Original Closing Date:30-Sep-2018
Revised Closing Date:30-Sep-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The project development objective is to improve compliance with industrial wastewater treatment regulations in four of the most industrialized provinces in Vietnam.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

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Components

Name
Environmental Policy, Monitoring and Enforcement:(Cost $22.68 M)
Performance-Based CETP (Centralized Effluent Treatment Plant) Financing:(Cost $25.59 M)
Implementation Support:(Cost $10.58 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Unsatisfactory
Overall Implementation Progress (IP)	Moderately Unsatisfactory	Moderately Unsatisfactory
Overall Risk Rating	Moderate	Moderate

Implementation Status and Key Decisions

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The four project provinces began implementing intensive monitoring of water and wastewater discharges from industrial zones (IZs) during the second half of 2016 with enforcement being stepped up as well. 45% percent of the IZs are now compliant with effluent discharge standards (against a final target of 50 percent). Four new Centralized Effluent Treatment Plants (CETPs) - half of the project target - have been constructed and are operational and the fifth is under construction. However, due to regulations tightening the eligibility criteria for on-lending financed though overseas development assistance, the pipeline for project-financed CETPs is slow even as demand for CETP loans generally is still high.

To date a total of 2,285 national and provincial government officials and enforcement agents etc have received training to strengthen planning, regulatory, technical, monitoring, and enforcement capacity across a range of agencies, and assessment of training outcomes is positive. The Bank and the government are discussing a proposal for project restructuring that would extend project interventions to seven additional provinces within the two targeted river basins to increase the reach of the project, expand the pool of IZs eligible for CETP investments, and help strengthen project relevance and achievement of objectives.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	Moderate	Moderate
Macroeconomic	--	Moderate	Moderate
Sector Strategies and Policies	--	Moderate	Moderate
Technical Design of Project or Program	--	Substantial	Substantial
Institutional Capacity for Implementation and Sustainability	--	Moderate	Moderate
Fiduciary	--	Moderate	Moderate
Environment and Social	--	Moderate	Moderate
Stakeholders	--	Moderate	Moderate
Other	--	Moderate	Moderate
Overall	--	Moderate	Moderate

Results

Project Development Objective Indicators

▸ Number of project financed IZs in the project provinces in compliance with effluent discharge standards (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	8.00

Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments

The indicator of number of project-financed IZs in the project provinces in compliance with effluent discharges is not cumulative as it is based on Monthly Monitoring of effluent discharge (since April 2015) and then assessed on a year-to-year basis. The basis for assessment of compliance is TT 35/2015/TT-BTNMT and QCVN40-2011.

Five Loan Contracts for CETPs were signed and four CETPs constructed (one is still under construction).

The situation of the project financed CETPs is as follows: (i) Bao Minh:24 parameters are monitored under the project monitoring program, there were minor exceedances in 4 parameters in the period Aug-Nov 201; (ii) Nhon Trach 3: 30 parameters are monitoring, out of which there was only one parameter exceeding the regulations (coliform) in January 2017; (iii) An Phuoc, the CETP has been constructed, but no wastewater has yet been discharged. This will change in 2018 as the first industry is currently connecting its wastewater to the CEPT; (iv) Hoa Mac: 21 parameters monitored, there were minor exceedances in 5 parameters in the months March-Sept but only one parameter in each of the months.

▸ Percentage of the 34 nonproject financed operating IZs in the 4 project provinces complying with effluent discharge standards (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	59.00	51.00	50.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments

Number of Project-monitored operating IZs changes every year. At the end of December 2017, there were 39 IZs (excluding project financed-IZ) that are monitored under the Project in terms of wastewater. This is higher than the originally foreseen 34 non-project financed operating IZs. Out of these, 20 IZs are compliant, representing a percentage of 51%.

Overall Comments

Intermediate Results Indicators

▸ Seven key legal documents reviewed, revised or adopted (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	7.00	7.00
Date	25-Oct-2012	15-Sep-2017	15-Sep-2017	30-Sep-2018

Comments

The circulars and technical regulations supported by the project are: (i) Circular on environmental monitoring activities; (ii) Circular on environmental protection for used ship breaking; (iii) National technical regulations on Environment; (iv) Circular on environment protection for chemicals, plants, protection chemicals and veterinary drugs; (v) circular on economical and technical norms for calibration of measurement devices of automatic and continuous monitoring stations; (vi) circular on economical and technical norms for development of national state of environment reports; (vii) circular on economical and technical norms for environmental monitoring of ambient air, surface water, soil, underground water and rain water.

▸ Percentage of operating IZs in the project provinces under proper wastewater effluent monitoring (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	79.00	88.00	100.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments

38 IZs out of 43 total operating IZs in the project provinces (including project financed) and under proper monitoring with Automatic Monitoring Stations that continuously monitor the effluent from the IZs and CETPs.

▸ % of IZs in the project provinces that are rated for their environmental performance (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	18.00	100.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments

8 out of 43 IZs have been rated for the environmental performance, which includes a range of parameters in addition to effluent compliance.

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▸ Number of AMSs established and functioning (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13.00	17.00	17.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments
AMS are established and operating, and substantially functioning, further work is needed on the transmission of data which is still covered under warranty period

▸ Number of CETP financing proposals received (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	5.00	10.00	8.00
Date	25-Sep-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments
By December 2017, 10 financing proposals were received out of which 5 proposals were appraised, assessed and approved. A further 8 were rejected for not meeting the loan conditions.

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▸ Number of quality CETPs completed/operational (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	8.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

Comments

Five loans provided to the following IZs: (i) Nhon Trach 3, Phase 2; (ii) An Phuoc, (iii) Bao Minh; (iv) Hoa Mac; and (v) Dong Van 3. All are completed and operational except for Dong Van 3, which is still under construction

▸ Percentage of trainees with improved capacity after project financed training events (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	80.00	81.00	90.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

▸ Seven key TA packages on sustainable industrial development and pollution baseline investigation completed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	4.00	7.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Dec-2017

▸ Number of Participants trained in project financed capacity building activities (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,285.00	3,257.00	2,500.00
Date	25-Oct-2012	30-Aug-2017	19-Mar-2018	30-Sep-2018

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Overall Comments

Data on Financial Performance

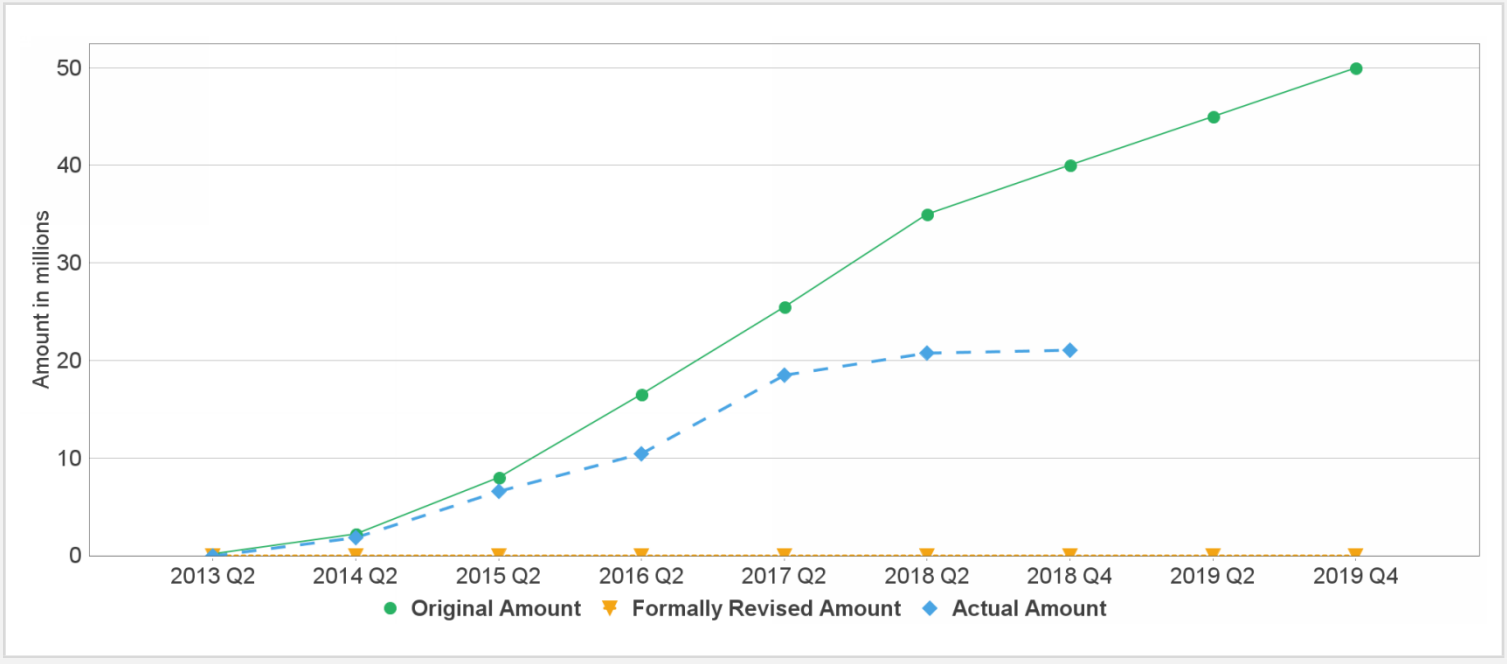
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P113151	IDA-51750	Effective	USD	50.00	50.00	0.00	21.04	26.47	44%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P113151	IDA-51750	Effective	25-Oct-2012	24-Dec-2012	25-Mar-2013	30-Sep-2018	30-Sep-2018

Cumulative Disbursements



Restructuring History

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There has been no restructuring to date.

Related Project(s)

There are no related projects.

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