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INTERNATIONAL DEVELOPMENT ASSOCIATION

IMPLEMENTATION COMPLETION AND RESULTS REPORT

IDA-57390

CREDIT

IN THE AMOUNT OF SDR 142.5 MILLION

(US\$200 MILLION EQUIVALENT)

TO THE

SOCIALIST REPUBLIC OF VIET NAM

FOR THE

RESULTS-BASED SCALING UP RURAL SANITATION AND WATER SUPPLY PROGRAM

PROGRAM-FOR-RESULTS

February 13, 2024

Water Global Practice
East Asia and Pacific Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective July 31, 2023)

Currency Unit = Vietnamese Dong (VND)

VND 23,687 = US\$1

US\$1.34295 = SDR 1

FISCAL YEAR
July 1 - June 30

Regional Vice President: Manuela V. Ferro

Country Director: Carolyn Turk

Regional Director: Anna Wellenstein

Practice Manager: Maria Angelica Sotomayor Araujo

Task Team Leader(s): Hang Diem Nguyen, Vinh Quang Nguyen

ICR Main Contributor: Yo Nishimura

ABBREVIATIONS AND ACRONYMS

BCC	Behavior Change Communication
CEMA	Commission for Ethnic and Minority Affairs
CPC	Commune People's Committee
CPF	Country Partnership Framework
CWS	Commune-Wide Sanitation
DLI	Disbursement-Linked Indicator
DoH	Department of Health
EM	Ethnic Minority
FWSC	Functioning Water Supply Connections
GDP	Gross Domestic Product
GoV	Government of Viet Nam
ICR	Implementation Completion and Results Report
IEC	Information, Education, and Communication
II	Intermediate Indicator
IPF	Investment Project Financing
IVA	Independent Verification Agent
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MoET	Ministry of Education and Training
MoH	Ministry of Health
MTIP	Midterm Investment Plan
NCERWASS	National Center for Rural Water Supply and Sanitation
NM-CH	Northern Mountains and Central Highlands
NRW	Non-Revenue Water
NTP	National Target Program for Rural Water Supply and Sanitation
NTP/NRD	National Target Program on New Rural Development
NTP3	Third Phase of the National Target Program for Rural Water Supply and Sanitation
O&M	Operation and Maintenance
ODA	Official Development Assistance
PAD	Project Appraisal Document
PAP	Program Action Plan
PCERWASS	Provincial Center for Rural Water Supply and Sanitation
PDO	Program Development Objective
PforR	Program for Results
PI	Program Development Objective Indicator
POM	Program Operation Manual
PPC	Provincial People's Committee
PPMU	Provincial Program Management Unit
RWSS	Rural Water Supply and Sanitation
SANCON	Sanitation Convenience Shop
SAV	State Audit of Viet Nam
TA	Technical Assistance
VIHEMA	Viet Nam Health Environment Management Agency
WASH	Water, Sanitation, and Hygiene

WSP	Water and Sanitation Program
WSS	Water Supply and Sanitation

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DATA SHEET

BASIC INFORMATION

Product Information

Program ID	Program Name	Financing Instrument
P152693	Results-based Scaling Up Rural Sanitation and Water Supply Program	Program-for-Results Financing
Country		IPF Component
Viet Nam		No

Organizations

Borrower	Implementing Agency
Socialist Republic of Viet Nam	Commission for Ethnic and Minority Affairs, Ministry of Agriculture and Rural Development (Coordination office, NCERWASS), Ministry of Education and Training, Ministry of Health (VIHEMA), People's Committees of 21 provinces of Northern Mountains, Central Highlands and South Central Regio, State Audit Office of Viet Nam

Program Development Objective (PDO)

Original PDO

The proposed Program objective is to improve hygiene behavior, increase and sustain access to rural sanitation and water supply in rural areas in the Participating Provinces.



FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
World Bank Administered Financing			
IDA-57390	200,000,000	191,289,993	173,328,409
Total	200,000,000	191,289,993	173,328,409
Non-World Bank Administered Financing			
Borrower/Recipient	100,000,000	0	0
Total	100,000,000	0	0
Total Program Cost	300,000,000	191,289,993	173,328,409

KEY DATES

Program	Approval	Effectiveness	MTR Review	Original Closing	Actual Closing
P152693	12-Nov-2015	08-Jun-2016	19-Oct-2018	31-Jul-2021	31-Jul-2023

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
02-Aug-2021	134.40	Change in Results Framework Change in Loan Closing Date(s) Cancellation of Financing Reallocation between and/or Change in DLI Change in Implementation Schedule

KEY RATINGS

Outcome	Bank Performance	M&E Quality
Highly Satisfactory	Highly Satisfactory	Substantial

**RATINGS OF PROGRAM PERFORMANCE IN ISRs**

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	05-Feb-2016	Satisfactory	Satisfactory	0
02	14-Aug-2016	Satisfactory	Satisfactory	0
03	08-Feb-2017	Moderately Satisfactory	Moderately Satisfactory	0
04	01-Aug-2017	Moderately Satisfactory	Moderately Unsatisfactory	0
05	23-Jan-2018	Moderately Satisfactory	Moderately Unsatisfactory	12.93
06	24-Jul-2018	Moderately Unsatisfactory	Moderately Unsatisfactory	12.93
07	21-Jan-2019	Moderately Unsatisfactory	Moderately Satisfactory	37.40
08	19-Jun-2019	Moderately Satisfactory	Moderately Satisfactory	41.96
09	12-Dec-2019	Moderately Satisfactory	Moderately Satisfactory	86.31
10	15-Jun-2020	Moderately Satisfactory	Moderately Satisfactory	91.46
11	03-Dec-2020	Moderately Unsatisfactory	Moderately Satisfactory	124.56
12	03-Jun-2021	Moderately Unsatisfactory	Moderately Satisfactory	134.39
13	27-Sep-2021	Moderately Satisfactory	Moderately Satisfactory	134.40
14	17-Nov-2021	Moderately Satisfactory	Moderately Satisfactory	141.48
15	31-May-2022	Satisfactory	Moderately Satisfactory	153.25
16	05-Nov-2022	Satisfactory	Moderately Satisfactory	154.12
17	26-Apr-2023	Satisfactory	Satisfactory	173.33
18	08-Aug-2023	Satisfactory	Satisfactory	173.33



SECTORS AND THEMES

Sectors

Major Sector/Sector (%)

Education 15

Other Education 15

Health 15

Health 15

Water, Sanitation and Waste Management 70

Sanitation 50

Water Supply 20

Themes

Major Theme/ Theme (Level 2)/ Theme (Level 3) (%)

Social Development and Protection 20

Social Inclusion 20

Indigenous People and Ethnic Minorities 20

Human Development and Gender 20

Health Systems and Policies 20

Child Health 20

Urban and Rural Development 30

Rural Development 30

Rural Infrastructure and service delivery 30

Environment and Natural Resource Management 30

Environmental Health and Pollution Management 30

Air quality management 10

Water Pollution 10

Soil Pollution 10



ADM STAFF

Role	At Approval	At ICR
Regional Vice President:	Axel van Trotsenburg	Manuela V. Ferro
Country Director:	Victoria Kwakwa	Carolyn Turk
Director:	Junaid Kamal Ahmad	Anna Wellenstein
Practice Manager:	Ousmane Dione	Maria Angelica Sotomayor Araujo
Task Team Leader(s):	Parameswaran Iyer, Hoa Thi Hoang	Hang Diem Nguyen, Vinh Quang Nguyen
ICR Contributing Author:		Yo Nishimura



A. CONTEXT AT APPRAISAL AND THEORY OF CHANGE

Context

- 1. At appraisal, Viet Nam had an impressive record on economic growth and poverty reduction.** Reforms had transformed Viet Nam from one of the poorest countries in the world, with per capita income below US\$100, to a lower-middle-income country. The annual average growth between 2008 and 2014 was 5.8 percent. However, while the overall rate of poverty for the country in 2012 was 9.6 percent, the poverty rate¹ for the remote Northern Mountains and Central Highlands (NM-CH) regions was significantly higher, 23.8 percent and 17.8 percent, respectively.² In addition to the regional variation, there was a considerable difference in the poverty levels between the Kinh/Hoa majority and ethnic minority (EM) groups. The average income among EM households was only one-sixth of the national average.
- 2. Viet Nam had made significant progress with respect to increasing water supply and sanitation (WSS) coverage, but important regional differences remained.** In 2012, access to improved toilet facilities was 67 percent in rural areas, open defecation was 2 percent nationwide, and access to improved water supply was 94 percent nationwide. However, in the NM-CH regions, approximately 20 percent of the rural population practiced open defecation,³ and around 30 percent⁴ had unhygienic⁵ toilets. In addition, 27 percent of people in rural areas of the NM-CH did not have access to safe water supply, and many of the installed schemes were no longer functioning because of poor maintenance. Countrywide, only 33.3 percent of the water schemes operated sustainably. Data on hand washing in Viet Nam suggested that it was not widely practiced, with only 13 percent of people washing their hands with soap at critical moments. Even lower rates were found for poor households and among EM groups. Institutional needs were also high; in some provinces in the NM-CH regions, less than 50 percent of schools had access to hygienic sanitation solutions and clean water.
- 3. The Government of Viet Nam (GoV) recognized that improving access to sanitation and clean water was a priority and formally committed to eliminating open defecation in Viet Nam by 2025.** The National Rural Clean Water Supply and Sanitation Strategy to 2020 (developed in 2000 and updated in 2011) set the overall vision and goals for the sector. The fundamental principles of the strategy included community participation, sustainability, and cost recovery. The sector strategy also focused on poverty, EM, and remote areas. The short-term focus was to target poor communities where water and sanitation coverage was low and malnutrition was high. The GoV established the National Target Program for Rural Water Supply and Sanitation (NTP) to implement the strategy. Following the end of the third phase of the NTP (NTP3) 2011–2015, rural water supply and sanitation (RWSS) investments were integrated into the National Target Program on New Rural Development (NTP/NRD) for 2010–2020. This plan directed investments in rural areas for physical and social infrastructure in different sectors, including RWSS.
- 4. NTP3 and its successor program were being supported in eight provinces⁶ of the Red River Delta through the US\$200 million, World Bank-funded Results-Based Rural Water Supply and Sanitation PforR⁷ (P127435),** which closed in 2019 with highly satisfactory results. As a result of the PforR, 2,149,765 project beneficiaries received access to improved WSS services.

¹ Assessed against a threshold of VND 570,000 for rural areas.

² General Statistics Office data for 2012.

³ National Target Program Monitoring and Evaluation data (2013).

⁴ National Target Program Monitoring and Evaluation data (2013).

⁵ According to the Ministry of Health's definition of hygienic sanitation.

⁶ Bac Ninh, Ha Nam, Ha Noi, Hung Yen, Phu Tho, Quang Ninh, Thanh Hoa, and Vinh Phuc.

⁷ PforR = Program for Results.



5. **The Results-based Scaling Up Rural Sanitation and Water Supply Program (from now on, the Program) was developed to further improve hygiene behavior, increase and sustain access to WSS, and reduce open defecation.** The Program was in alignment with all three pillars of the Country Partnership Strategy (CPS)⁸ and contributed to the GoV's Socio-Economic Development Plan, which stressed the importance of development in the NM-CH regions and improving access to basic services for EMs.

Theory of Change (Results Chain)

6. **The Program focused on improving hygiene practices and increasing and sustaining access to WSS services in the rural areas of 21 of the poorest provinces in Viet Nam.** The Program's activities were designed to align with the GoV's intervention areas under the NTP/NRD for 2010–2020. This enabled the lessons learned from the Program to inform the national strategy. The Program's implicit Theory of Change, which was developed for this report and based on the Project Appraisal Document (PAD), is illustrated in figure 1.

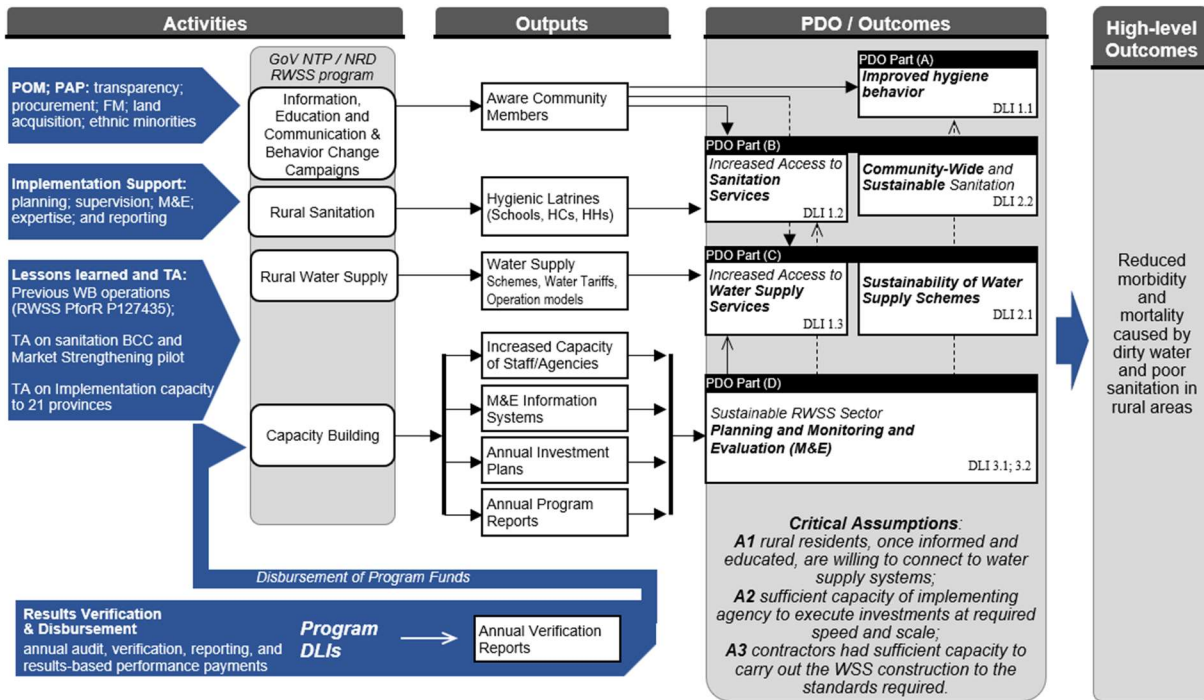
7. **The Program can be divided into four areas of intervention:**

- (a) **Rural sanitation access and sustainability**, including (i) construction of hygienic latrines in households, schools, and health centers; (ii) development and achievement of commune-wide sanitation (CWS) requirements (that is, high coverage of the commune with sanitation and water supply); and (iii) monitoring of the sustainability of CWS for two years.
- (b) **Rural water supply access and sustainability**, including (i) identification of demand; (ii) construction, rehabilitation, and repair of rural water supply schemes (treatment plants, distribution networks, and household connections); (iii) application of sustainability criteria (continuity, water quality, low non-revenue water (NRW) ratios and reduction of failures); and (iv) implementation of operation and maintenance (O&M) models that are fit to the size of the scheme and enable cost-recovery.
- (c) **Information, education, and communication (IEC) and behavior change communication (BCC) activities** in households, schools, and health centers to raise awareness and educate the population on the benefits of hygienic latrines and water supply, thus increasing the beneficiaries' use of and willingness to pay for the construction of hygienic latrines and water tariffs. The BCC activities also promote the importance of proper maintenance for RWSS systems to increase their sustainability.
- (d) **The Program also supported the strengthening of institutional capacity** at the national and local levels through training on, among other topics, planning skills for provincial agency staff, monitoring and evaluation (M&E), and reporting. The GoV staff were also trained on effective management of the PforR.

⁸ Vietnam Country Partnership Strategy 2012–2016 (Report No. 65200-VN). The pillars are (a) strengthening Viet Nam's competitiveness in the regional and global economy, (b) enhancing the sustainability of its development, and (c) broadening access to social and economic opportunity.



Figure 1. Theory of Change



Rationale for PforR Support and Program Scope and Boundaries

8. At entry, Viet Nam had experience with the PforR instrument in the water sector, and key lessons learned through implementation of previous operations were effectively integrated into the Program. The earlier operation (P127435), which was ongoing at the time this PforR was designed, focused on RWSS provision in eight provinces in the Red River Delta. It showed that verification of results under the PforR mechanism drives incentives for achievement of goals and institutional strengthening. Another demonstrated lesson was that carefully designed disbursement-linked indicators (DLIs) can boost RWSS sustainability by incorporating sustainability criteria into RWSS planning, investments, and operations, even in settings with lower institutional capacity. Based on the excellent performance of the previous PforR, the GoV requested that it be scaled up and replicated to target poorer provinces. The Program provided continuity to an already effective World Bank presence in the sector and responded to the GoV's interest in closing the service gap in these lagging provinces. In addition, the parallel implementation of the new Program with the existing one permitted lessons learned to be exchanged between the provinces. The new Program scaled up the experience to 21 provinces and increased attention to sanitation and soft components, such as IEC and BCC.

9. The PforR instrument was suitable for supporting strategic shifts in the GoV RWSS NTP3 and NRD/NTP for 2010–2020. The GoV's RWSS plans provided a well-established framework for delivering RWSS services at scale. However, NTP3 focused mainly on investment; thus, its effectiveness and sustainability were limited. The Program incorporated behavior change, infrastructure sustainability, and results-based disbursement, based on indicators designed and agreed with the GoV, to improve effectiveness in the target regions. Given the unattractiveness of investing in 'soft' investments (such as BCC) and the low priority of the sanitation sector, the use of the PforR instrument supported the achievement of results related to behavior change by including the implementation of the BCC program and increased coverage of sanitation and hand washing points as DLIs under the Program.



10. **The Program integrated recommendations from the technical assistance (TA) provided by the World Bank Water and Sanitation Program (WSP) to help the GoV scale up sanitation promotion in rural areas.**⁹ The TA developed a Rural Sanitation Behavior Change and Market Strengthening Strategy, which provided recommendations for demand generation and supply strengthening regarding hygienic latrines (development of manuals and local sanitation convenience shops [SANCONs]). The TA was piloted in the Hòa Bình Province in 2015, where nearly 1,200 hygienic latrines were built in nine communes, leading to an increase of 21 percent in sanitation coverage.

Program Scope

11. **The Program aimed to support achievement of the WSS targets of the GoV's NTP3 and successor program, the NTP/NRD for 2010–2020 and for 2020–2025, in the 21 provinces of the NM-CH.** The Program utilized results-based financing to optimize results and paid special attention to sanitation and other lagging sub-sectors. The scope of activities included the following:

- **Rural water supply**
 - Increasing access to and improving O&M of water supply systems in communities and households, with a focus on rehabilitation and extensions from existing systems and construction of new water supply schemes when needed
 - Providing TA for developing an IEC toolkit and applying IEC activities for increasing awareness on clean water, use of clean water, willingness to pay, and improved O&M procedure.
- **Rural sanitation and hygiene**
 - Provision and O&M of hygienic sanitation solutions, hand washing facilities, and adequate water supply in health clinics and schools
 - Scaling-up of hygiene and sanitation solutions by building demand (that is, BCC activities), support for interventions to build the supply chain, and construction of latrines to achieve CWS
 - Development of latrine one-stop shops for latrines to increase affordability and accessibility of latrine construction in households.
- **Capacity building and implementation support**
 - Capacity building at the national, provincial, and local agencies involved in the Program to develop their implementation and management capacity and improve inter-sectoral collaboration, including (i) capacity to promote hygienic behavior change and provide sustainable WSS services; (ii) planning, M&E, and reporting; and (iii) support for improved environmental, social, and fiduciary systems.
 - Program implementation support, including (i) policy support for institutional capacity development at the provincial, district, and commune levels for school water, sanitation and hygiene (WASH), development of a water pricing framework, and development of sanitation markets; (ii) M&E and verification of Program results and an external audit of the Program by the State Audit of Viet Nam (SAV), which served as

⁹ Strengthening the Enabling Environment, Capacity Building Systems and Evidence-Based Learning and Lesson Sharing (P132287); Strengthening Demand Creation and Supply Chain Development (P133773).



the independent verification agent (IVA); and (iii) the launch of a national and provincial high-level communication campaign to raise the political profile of sanitation and hygiene.

- Improving clean water use and sanitation behaviors through communication and awareness changing programs.

Program Development Objectives (PDOs)

12. The PDO stated in the PAD and the Financing Agreement was “to improve hygiene behavior, increase and sustain access to rural sanitation and water supply in rural areas in the Participating Provinces.”

Key Expected Outcomes and Outcome Indicators

13. The Program’s original results areas, PDO indicators, and intermediate indicators are summarized in table 1.

Table 1. Results Areas, PDO Indicators, and Intermediate Indicators

Key Results Area	PDO Indicator (PI)	Intermediate Indicator (II)
1. Key hygienic behaviors changed amongst the population and increased access to basic services	PI-1 Direct Program beneficiaries (number), of which female (%)	II-1 Development and implementation of behavior change communication (BCC) plans at the provincial, district, and commune levels
	PI-3 Communes achieving CWS (number)	II-2 Schools reached through targeted BCC campaigns (number) II-3 Clinics with prenatal programs which complete nutrition-related BCC (number) II-4 National BCC program is launched (yes/no) II-5 Increase in hand washing with soap after using the latrine among the target population (compared to non-program communes) (%)
2. Adequate water and sanitation infrastructure in place and in working condition	PI-2 Households with access to sustainable water supply systems (number)	II-6 New and rehabilitated functioning household water supply connections (FWSC) (number)
	PI-4 Communes where schools and health clinics have maintained hygienic status ¹⁰ (number)	II-7 Schools and health centers with new and rehabilitated water supply and sanitation facilities (number)
3. Improved capacity for program implementation	PI-5 New approaches for BCC and supply chain activities are included in the successor program to the NTP3 (Yes/No)	II-8 Annual Program Plans and Reports disclosed (number)
		II-9 Reports on beneficiary feedback received and feedback has been used
		II-10 Approved Annual Capacity Development Plan for Provinces implemented II-11 Systems are in place and being used to monitor the sustainability of commune-wide sanitation

Program Results Areas and DLIs

14. The Program originally had three DLIs, with seven sub-DLIs. These were designed based on the Results Framework so that the Program could disburse against the achievement of Program outputs and

¹⁰ Defined as communes that maintained CWS status for at least two years after verification.



outcomes. DLI 3.1 was designed as a proxy for institutional capacity building and strengthening. The original DLIs were as shown in table 2.

Table 2. Program DLIs

DLI	Sub-DLI
1 Behavior change and infrastructure	1.1 Number of Behavior Change Communication Plans implemented by Participating Provinces ¹¹
	1.2 Number of new Communes achieving Commune-Wide Sanitation in the Participating Provinces
	1.3 Number of new or rehabilitated Functioning Water Supply Connections to households in the Participating Provinces
2 Sustainability of infrastructure	2.1 Number of households in the Participating Provinces with Sustainable Water Systems
	2.2 Number of Communes in the Participating Provinces, which have achieved Commune-Wide Sanitation two calendar years (CY) ago, where all public kindergarten, primary and secondary schools and health centers maintain Hygienic Status
3 Capacity for implementation	3.1 Number of Annual Program Plans and Program Reports disclosed
	3.2 Number of approved Annual Capacity Development Plans implemented

A. SIGNIFICANT CHANGES DURING IMPLEMENTATION

Revised PDOs Outcome Targets, Result Areas, and DLIs

15. **In August 2021, the Program underwent a Level 2 Restructuring.** No changes were made to the Program’s scope, supported activities, or Theory of Change. This restructuring included the following modifications to the Financing Agreement: (a) extending the closing date of the Program by 24 months, from July 31, 2021 to July 31, 2023, and aligning the implementation schedule with the new closing date; (b) cancelling SDR 6.1 million, or US\$8.84 million (equivalent at that time), in IDA funds; (c) revising the definition of “sustainable water systems” to reflect the conditions of water supply systems on the ground; and (d) adjusting some of the DLI targets and unit values, including in the Results Framework, to reflect the partial fund cancellation, the extended implementation period, and other related changes.

16. The PDO, PDO indicators, intermediate indicators, and DLIs did not change during the Program.

Rationale for Changes and their Implication for the Original Theory of Change

17. **The closing date was extended by 24 months from July 31, 2021, to July 31, 2023.** The Program was affected by the lack of official development assistance (ODA) allocation in 2016, and low ODA allocation in 2017 from the GoV. Consequently, the Program activities were not implemented as planned over that period. The issue was solved in the following years, and the extension was applied to compensate for insufficient counterpart budget allocation for two years. This extension allowed the Program to have adequate time for implementation as designed at appraisal and to meet the expected results successfully. The extension also enabled the Program to further support COVID-19 prevention efforts through specific DLIs that incentivized improved WASH services for an additional 1 million people.

¹¹ The BCC plan, developed at the central and provincial level, has been reviewed by the Ministry of Health (MoH), Ministry of Agriculture and Rural Development (MARD), and World Bank. The BCC plan includes demand generation and supply for hygiene and sanitation.



18. **The IDA funds cancellation of SDR 6.1 million followed the GoV Directive 18/CT-TTg dated June 29, 2019,** which stated that ODA funds could no longer be used to finance “recurrent-tagged expenses” such as capacity building, consultants, communication activities, and materials. As a result, the allocations to DLI 1.3 (Functional water supply connections) and DLI 2.1 (Sustainable water systems) were revised. The impact of this fund cancellation and adjustment was minimal and did not change the Program’s scope, as the gap was offset by counterpart funds.

19. **Revision of “sustainable water systems” definition.** The Financing Agreement defined “sustainable water systems” as “at least 80 percent of the number of planned systems connections are Functional Water Supply Connections”. The definition of “sustainable water systems” is among the several criteria of DLI 2.1. The experience from the previous PforR showed that reaching 80 percent connection after two years from the water supply system’s commissioning was not realistic based on the typical connection rate in rural areas. It was also noted that the Program operated in a more challenging area of Viet Nam, with lower capacity and a high percentage of EMs compared to the predecessor project, which operated in the most advanced region of the country. Thus, the definition was revised to reduce the requirement from “at least 80 percent” to “at least 70 percent.” The change did not lead to a negative impact on the results. In fact, it was considered that a sufficient level of O&M cost recovery could be achieved with a 70 percent connection rate, if additional efficiency measures, such as NRW below 25 percent, a system-wide billing and collection arrangement, and a supply of potable water for least 20 hours per day, were in place.

I. OUTCOME

A. RELEVANCE

Relevance of PDO

20. **The relevance of the PDO is rated High.** The Program remained highly relevant to the strategic objectives of both the GoV and the World Bank Group’s Country Partnership Framework (CPF).

21. **Relevance to the CPF.** From Program preparation through Program closure, the PDO was clearly aligned with the key outcomes outlined in the 2017 Country Partnership Framework for Viet Nam (2017 CPF, Report No. 111771-VN).¹² The 2017 CPF is still current and has a clear objective linked to WSS under ‘Objective 11: Strengthen natural resource management and improve water security’. The Program supported direct investments in basic WSS infrastructure and improved sustainable operations by scaling up the results-based programmatic approach. The Program helped improve institutional capacity and efficiency while catalyzing private sector participation in the rural WSS sector in the poorest part of Viet Nam. The Program also contributed to Objective 5 of the CPF, ‘Broaden economic participation of ethnic minorities, women, and vulnerable groups’, as it targeted the poorest provinces that had high levels of EMs. This is a high priority for the GoV, as members of EM groups have historically benefited less from recent advances in access to employment and economic opportunities, education, health, and social protection services than the rest of the population.

22. **Relevance to the GoV RWSS Objectives.** As highlighted in NTP/NRD for 2020–2025, RWSS remains a key priority for the GoV. The GoV has identified key objectives that are aligned with the PDO to improve RWSS service delivery, including more demand-driven investments, more sustainable O&M, and building capacity of provincial agencies and service providers.

¹² Viet Nam 2022–2027 CPF is still under discussion. The Program is anticipated to remain fully relevant based on the ongoing discussions.



23. **Relevance to the 2030 Agenda for Sustainable Development.** The Program contributes to achieving the Sustainable Development Goals (SDGs), especially SDG6 'Ensure availability and sustainable management of water and sanitation for All' and its targets.¹³

Relevance of DLIs

24. **The relevance of the Program DLIs is rated High.** The DLIs were directly linked to achievement of the PDO and were designed to foster sustainability and incentivize improved performance of the implementing agencies. The selected DLIs had clear definitions, methods for measurability, and protocols and methodologies for monitoring and verification. The DLIs provided the necessary flow of funds to move implementation forward.

25. **The DLIs were directly linked to the three key results area of the PDO, were directly drawn from the Results Framework, and had a focus on the long-term sustainability of the outcomes.** The objective to improve hygiene behavior was linked to the number of Behavior Change Communication Plans developed and implemented by the provinces (DLI 1.1). The objectives for increasing access to WSS were linked to DLI 1.2 and DLI 1.3, ensuring services to both households and key public buildings such as schools and health centers. WSS sustainability was linked to DLI 2.1 on Sustainable Water Systems and DLI 2.2, which monitored the adequacy of O&M of the services for two years after DLI 1.2 was met. Sustainability was also strengthened by behavior change through DLI 1.1. The objective for improved capacity for Program implementation was linked to the detailed requirements for annual plans and reports in DLI 3.1 and the implementation of capacity development investments in DLI 3.2. In addition, the DLIs were directly related to the GoV's clean water and sanitation goals of the NTP/NRD 2020–2025.

24. **The sustainability DLIs (DLIs 2.1 and 2.2) were a key driver for the rural WSS sector, as demonstrated by previous operations.** The sustainability DLIs require that the achievements under DLIs 1.2 and 1.3 on access be monitored and maintained for a minimum of two years. This was designed to enhance the long-term sustainability (technical and financial) of the services as the Program accompanied the provinces in finding the adequate management system in water supply and in continuing the activities on IEC and BCC. The previous PforR has demonstrated the value of this approach; earlier NTP interventions without this consideration had often failed after a few years.

25. **The inclusion of CWS in DLI 1.2 was highly relevant and an incremental step to fighting open defecation.** The commune is the smallest unit of government, and supporting changes at this level builds a sustainable base for improved sanitation and hygiene in the long term. Including both communities and schools in the DLI requirement helped achieve behavioral change in younger generations, building

¹³ The Program contributes to the following targets: 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all; 6.2: By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations; 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity; 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate; 6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes; 6.A: By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies; and 6.B: Support and strengthen the participation of local communities in improving water and sanitation management.



progress toward sustainable sanitation at present and in the future. CWS requires that each commune meet all the following criteria:

- (a) 70 percent of households have an improved latrine that hygienically separates human feces from human contact.
- (b) 80 percent of households have dedicated (fixed) hand washing points, with soap (or soap substitute) and water available.
- (c) All schools and health clinics have functional water supply, hygienic sanitation, and hand washing facilities. CWS is therefore a proxy for a significant reduction in open defecation.

26. **The DLIs were designed to act as incentives to implement a demand-driven approach and improve investment planning.** The infrastructure-related DLIs were set to be reimbursed based on the number of connections. The provinces were incentivized to develop an annual investment plan based on the real demand and willingness to pay (through surveys and demographic analysis) for the services. Coordination between different provincial implementing agencies for CWS was also incentivized, as its achievement required interventions in the water, health, and education sectors. This also allowed the development of water schemes and sanitation services at a size fit for purpose, thus increasing the economic efficiency of the provincial WSS investments.

27. **The institutional capacity DLIs, 3.1 and 3.2, were highly relevant and the foundation for the success of the Program.** The requirement to develop annual program plans and reports at the provincial and central levels under DLI 3.1 ensured proper planning and reporting and strong coordination and knowledge exchange between all participating agencies at the provincial and central levels. Such knowledge exchange was also incentivized under DLI3.2 on Capacity Development.

Rating of Overall Relevance

28. **Overall Program relevance is rated High.** The PDO and DLIs remained highly relevant throughout the Program and were aligned to the GoV’s and World Bank Group’s strategic objectives. The PforR approach and the solid project design supported and incentivized sustainable development of the RWSS sector in Viet Nam in the poorest and most vulnerable provinces.

B. ACHIEVEMENT OF PDOs (EFFICACY)

Assessment of Achievement of Each Objective or Outcome

29. **For this assessment, the PDO is divided in four areas:** “to improve hygiene behavior (A), increase and sustain access to rural sanitation (B) and water supply (C) in rural areas in the Participating Provinces.” Each of these three PDO outcomes is assessed individually in the following paragraphs. The institutional strengthening activities are not captured in the PDO verbatim but are included in the results area and analyzed as Outcome (D).

30. The Program achieved or exceeded all PDO indicators and all DLI indicators as summarized in tables 3, 4, and 5.

Table 3. Achievement of DLIs

No.	DLIs	Target	Total	Achieved (%)
DLI 1.1	# of Behavior Change Communication Plans implemented	105	116	110
DLI 1.2	# of new commune achieving CWS	680	703	103



No.	DLIs	Target	Total	Achieved (%)
DLI 1.3	# of new or rehabilitated Functioning Water Supply Connections to households	255,000	285,259	112
DLI 2.1	# of households with Sustainable Water Systems	105,000	144,163	136
DLI 2.2	# of Communes in the Participating Provinces, which have achieved CWS two CY ago, where all public kindergarten, primary and secondary schools and health centers maintain Hygienic Status	340	446	131
DLI 3.1	# of Annual Program Plans and Program Reports disclosed	215	291	135
DLI 3.2	# approved Annual Capacity Development Plans implemented	105	124	118

Assessment of Achievement of Each Objective or Outcome

Outcome (A): Key hygienic behaviors changed amongst the population

31. **Achievement of PDO Part (A) is rated High.** The Program exceeded the target for DLI 1.1, as shown in table 3, and met or exceeded the related intermediate indicators under Results Area 1: Key hygienic behaviors changed amongst the population and increased access to basic services. A total of 116 BCC plans were developed and implemented in 2,435 schools and 728 health centers (II-2 and II-3), helping 446 communes (PI-4) maintain their CWS status. Based on the Program’s experience, a national BCC program was launched.

32. **To facilitate behavior change, training and materials were developed to serve as reference material for implementing BCC.** In parallel, the Program supported the establishment of SANCONs and networks of trained sales representatives and masons. BCC activities also included discussions to establish potential sources of household finance. Through the Program’s BCC activities, households’ perceptions of the benefits of sanitation and hand washing changed, and their knowledge of how and where to acquire the necessary hardware increased, leading to households buying soap and installing improved hygienic latrines. The purchase and construction of improved latrines and hand washing places changed the setting within which defecation and hand washing behaviors occur, making it more likely that these behaviors are selected and repeated. These changes in behavior and awareness were confirmed in focus group discussions and commune meetings, which were part of the BCC activities.

Table 4. Achievement of Indicators Linked to Outcome A

No.	Indicator Name	Target	Total	Achieved (%)
PI-4	Communes where schools and health clinics have maintained hygiene status (number)	340	446	131
PI-5	New approaches for BCC and supply chain activities are included in the successor program to the NTP3 (Yes/No)	Yes	Yes	100
II-1	Development and implementation of BCC plans, at the provincial, district and commune levels (number)	105	116	110
II-2	Schools reached through targeted BCC campaigns (number)	1,360	2,435	179
II-3	Clinics with antenatal programs which are covered by BCC (number)	340	728	214
II-4	National BCC program was launched (Yes/No)	Yes	Yes	100



No.	Indicator Name	Target	Total	Achieved (%)
II-5	Increase in hand washing with soap after using the latrine increased among the target population compared to non-program communes (percent) ¹⁴	20	54	270

33. **Jingle songs and dances about the use of toilets and handwashing with soap are now familiar to schools students across CWS communes and many other communes in the 21 provinces, as well as a number of other provinces.** BCC activities in the education and health sectors were also replicated nationwide and conducted in communes outside the Program. A BCC toolkit on household hygiene was also developed by the Vietnam Health Environment Management Agency (VIHEMA), with support from the World Bank as part of the Program. To date, about 50 provinces have developed and approved BCC plans. The GoV reported that the health sector implemented BCC activities in 38 communes outside the Program area and the education sector in 133 communes, demonstrating the effectiveness and high level of ownership of the Program’s BCC approach.

34. **The National BCC Program Plan (II-4) of 2019 set a “national vision for improving environmental sanitation, and rural clean water use in the 2018-2025 period with a vision to 2030.”** As part of the plan, every year the MoH directs the provinces and cities to develop BCC plans and implement them to promote personal hygiene, rural sanitation, and clean water use. Nationwide meetings and events have also been established to support provinces in developing and piloting appropriate sanitation models and carrying out effective M&E. These meetings take place on Patriotic Hygiene Day (July 2), World Hand Washing Day with soap (March 15), and World Toilet Day (November 19).

Outcome (B): Increased and sustained access to sanitation services

35. **Achievement of PDO Part (B) is rated High.** The Program invested in sanitary latrines for households and public institutions as well as in BCCs and was able to meet or exceed all targets for PDO Part (B).

36. **CWS is a proxy for a significant reduction in open defecation.** A total of 703 communes have achieved CWS (PI-3 and DLI 1.2), among which 446 were verified to have maintained the status for at least two years and were labeled as sustainable CWS (PI-4 and DLI 2.2). The portion of communes that failed the verification was 13 percent for CWS and 4 percent for sustainable CWS.

Table 5. Achievement of Indicators Linked to Outcome B

No.	Indicator Name	Target Value	Achieved Value	% Achieved
PI-3/DLI 1.2	Communes achieving Commune-Wide Sanitation in the Participating Provinces (number)	680	703	104
PI-4/DLI 2.2	# of Communes in the Participating Provinces, which have achieved CWS two CY ago, where all public kindergarten,	340	446	131

¹⁴ Data from the survey conducted during the midterm review and included in the midterm evaluation report. The MTR concluded that the BCC activities effectively reached the target audience. In terms of sustainability, MOH and provinces continue to work together on BCC activities after Program closing. Although, continued direct monitoring of hand washing behavior is challenging and costly, and thus not part of the Program, an indication of such behavior is the indicator “households have dedicated hand washing points, with soap (or soap substitute) and water available”. This was one of the CWS criteria of the Program, which required 80% household coverage. This indicator is also measured every 4 years by the General Statistics Office of Vietnam and UNICEF nationwide. They reported the indicator to be 84% for the Northern Mountain region and 78% for the Central Highland region in 2021, which is consistent with the Program, and an early indication of sustainability. The data collection in 2025 will further inform the longer-term sustainability of the behavior change.



No.	Indicator Name	Target Value	Achieved Value	% Achieved
	primary and secondary schools and health centers maintain Hygienic Status			
II-7	Schools and health centers with new and rehabilitated water supply and sanitation facilities (number)	2,720	2,547	94
	Number of beneficiaries from communes achieving CWS	n.a.	5,764,600	n.a.

37. **The Program implemented the recommendations and material developed through the TA.** The TA developed a Rural Sanitation Behavior Change and Market Strengthening Strategy 2015–2020 with the expectation that it could be adapted for use in other places in Viet Nam with similar conditions. Lessons and outputs from Hòa Bình were adopted, such as the development and implementation of the Manual for Developing Sanitation Convenience Shops and Sales Network to promote the establishment of SANCONs and sales network that provided affordable latrines that met design standards.

38. **A total of 564 SANCONs were set up, helping the rural population construct latrines.** The GoV reported that, as a result of the Program, 254,631 household hygienic latrines were built or rehabilitated, out of which 57,843 households (23 percent) were serviced by the developed SANCONs.

Figure 2. SANCON Schematic Model



39. **Subsidies were provided to poorer households to support the purchase of hygienic latrines.** The GoV reported that as a result of the Program, 54,564 households received subsidies between 2016 and 2020. After the Program’s restructuring, 14,797 households received subsidies from the provinces’ counterpart funds between 2021 and 2022. The remaining 185,270 households built hygienic latrines without relying on subsidies, proving the effectiveness of the Program’s BCC activities.

40. **The effectiveness and sustainability of CWS is also reflected in the installation rate of hygienic latrines.** The requirement to achieve CWS status is to reach 70 percent of total households with hygienic latrines in a commune, but it was observed that the number of households continued to increase beyond 70 percent in all provinces, highlighting the effectiveness of the Program in building communities that are more aware of the importance of sanitation. This is visible from the statistics in table 6, which compares the rate of hygienic latrines coverage before the intervention in 2015 to 2022 in the Program-targeted communes that achieved CWS.



Table 6. Households with Hygienic Latrines in Target Province

Provinces	No. of CWS Communes Achieved in 2022 per % of Total Households Covered by Hygienic Latrines				% of Households with Hygienic Latrines in 2015 (Before the Program)	% of Households with Hygienic Latrines in 2022	Increase 2015–2022
	70–80%	81–90%	>90%	Total Number of CWS Communes	%	%	%
Lạng Sơn	19	6	—	25	51.5	80.6	40.6
Hà Giang	27	6	2	35	43.2	73.8	31.8
Cao Bằng	28	5	2	35	41.4	72.0	6.5
Bắc Kạn	9	9	16	34	63.3	75.3	10.3
Thái Nguyên	16	10	9	35	58.7	88.8	23.8
Bắc Giang	31	19	—	50	59.3	85.7	2.4
Tuyên Quang	35	10	—	45	35.3	82.0	54.4
Yên Bái	15	33	2	50	64.0	78.3	22.3
Lào Cai	6	17	12	35	51.4	87.6	29.7
Sơn La	10	7	11	28	46.8	77.6	24.6
Điện Biên	26	18	6	50	44.9	69.3	39.0
Lai Châu	13	11	1	25	66.4	67.8	36.4
Phú Thọ	47	7	—	54	64.1	78.0	14.1
Hòa Bình	28	24	8	60	69.0	86.0	22.5
Kon Tum	7	9	9	25	61.6	78.9	24.9
Gia Lai	31	—	—	31	65.9	56.2	13.0
Daklak	28	5	—	33	53.7	78.9	17.7
Daknong	18	1	—	19	66.5	71.4	7.4
Lam Dong	9	9	—	18	66.5	89.1	17.6
Bình Thuận	—	1	9	10	64.1	93.5	13.7
Ninh Thuận	1	2	3	6	67.3	80.0	10.0
Total	404 (57%)	209 (30%)	90 (13%)	703	—	—	—

Source: Data from MARD and provinces.

41. **Data from the Multiple Indicator Cluster Surveys of the United Nations Children’s Fund (UNICEF) from 2014 and 2021 show that the regions targeted by the Program had a higher increase in hygienic latrine coverage and a decrease in open defecation.** This is visible in table 7. The target region of the Program is the Northern Midlands and Mountainous area and the Central Highlands. A high increase of improved latrines was also observed in the Mekong Delta, which was not targeted by the Program but received support from other national and international organizations. All 21 provinces in the Program met or exceeded all the sanitation targets, and 703 communes reached CWS status (PI-3 and DLI 1.2), reaching 5,764,600 beneficiaries. The sustainability of the CWS status was verified for more than two years in 446 communes (PI-4 and DLI 2.2), attesting to the long-term impact of the Program. During the informal interviews in households, schools, and health centers, all beneficiaries demonstrated satisfaction with the quality and cost-effectiveness of the latrines.



Table 7. Sanitation Changes in Viet Nam 2014–2022

% of Population	2014		2021		2022	Increase of Improved Latrine 2014–2021	Decreased Open Defecation 2014–2021
	Improved Latrine	Open Defecation	Improved Latrine	Open Defecation	Open Defecation (VIHEMA Report)		
Red River Delta	94.1	0.1	98.9	0.2	—	4.8	–0.1
Northern Midlands and Mountainous area (Program target)	68.8	12.9	87.7	9.3	—	18.9	3.6
North Central and Central coastal area	83.8	6.8	95.1	3.4	—	11.3	3.4
Central Highlands (Program Target)	65.4	21.9	82.7	8.0	—	17.3	13.9
South East	90.9	4.0	98.3	0.5	—	7.4	3.5
Mekong River Delta	56.8	3.0	78.7	1.2	—	21.9	1.8
Total	79.2	5.8	92.1	2.7	—	12.9	3.1

Source: Data are from UNICEF MIC Survey 2014 and 2021, unless otherwise stated.

42. **As part of the CWS approach, the Program provided newly built, upgraded, or repaired WSS in 2,547 facilities (II-7), among which 1,721 were schools and 826 were health centers.** In some provinces, the number of newly/upgraded/repared WSS facilities at the commune health centers was lower than the initial registration number because these facilities were financed by other private or public programs.

43. **The medium-term sustainability of the sanitation services is demonstrated by PI-4, which monitors whether the developed services are properly operated and maintained for at least two years.** The overall achievements under Outcome Part (B) clearly demonstrate that the Program objective for increased and sustained access to sanitation services was met.

44. **The Program contributed to mitigating the risk of COVID-19 contamination during the pandemic by providing WSS service in rural areas.** Government officials and the beneficiaries have highlighted the importance and timely contribution that the Program provided by bringing WSS services and strong communication, awareness raising, and capacity-building activities to the local population.

Outcome (C): Increased and sustained access to water supply services

45. **The achievement of PDO Part (C) is rated High.** The Program invested in water supply schemes and household connections through the NTP/NRD for 2010–2020 and for 2020–2025, exceeding all PDO indicators and DLIs.



Table 8. Achievement of Indicators Linked to Outcome C

No.	Indicator Name	Target Value	Achieved Value	% Achieved
II-6/DLI 1.3	Number of new or rehabilitated Functioning Water Supply Connections to households in the Participating Provinces	255,000	285,259	112
PI-2/DLI 2.1	Number of households in the Participating Provinces with Sustainable Water Systems	105,000	144,163	137
II-7	Schools and health centers with new and rehabilitated water supply and sanitation facilities	2,720	2,547	94

46. **As shown in table 8, the Program provided 285,259 new water connections (II-6 and DLI 1.3) through 759 water supply schemes, achieving 112 percent of the target.** Due to the characteristics of rural and mountainous areas, the majority of the schemes are small in size. In fact, 46 percent of the schemes have a capacity of less than 100 m³ per day.

Table 9. Design Capacity of Water Supply Schemes

Design Capacity			
<100 m ³ /day	100–200 m ³ /day	300–500 m ³ /day	>500 m ³ /day
348	172	121	118

47. **The Program implemented a fit-for-purpose management model for the schemes depending on their size.** Due to the small size of the systems (see table 9), the main management model applied in the Program was the Commune People's Committee (CPC)-based management (56 percent of the total, see table 10). The Provincial Center for Rural Water Supply and Sanitation (PCERWASS) manages 26 percent of the schemes, at the provincial level and the private sector-managed schemes account for only 2.1 percent, given the low revenue stream of most schemes due to their small size, low applicable water tariff, low income of target communes, and absence of adequate subsidies.

Table 10. Operation Model of Water Supply Schemes

Scheme Operation Model (number of schemes)								
CPC	Cooperative	PCERWASS	Private Enterprise	Urban Water Supply Company	District Public Work Management Center/Board	Irrigation Work Exploitation Company	Other	No Operator
422	12	195	16	42	25	43	2	2

48. **Nearly 97 percent of water schemes applied water tariffs under regulations supported by the provinces.** Only a few schemes had water tariffs before the Program. This achievement contributes to the sustainability of the schemes. The development and implementation of IEC activities supported an increased willingness to pay the water tariff and use clean water provided by the water schemes, thus increasing demand. The uncollected fee is reported to be negligible, and the tariff mostly ranges between VND 2,000 and 10,000 per m³. The tariffs are regularly revised to increase the sustainability of the schemes. For comparison, the water tariff in Hanoi is between VND 7,500 and 24,000 per m³.

49. **Nearly 43 percent of the total schemes (328 out of 759) have been verified against the sustainability criteria.** These schemes provide 144,163 household connections (PI-2 and DLI 2.1). The Program has largely exceeded the target of 105,000 connections. The definition of sustainable water systems required the water supply connections to comply with rigorous criteria for continuity, water quality, and low failure rates and NRW. This ensured that beneficiaries received high-quality, reliable access to water supply services. Although the sustainability criteria were verified and confirmed for 328



schemes, this does not imply that the remaining schemes are not compliant with the sustainability criteria. Further verification was not necessary to demonstrate the achievement of DLI 2.1; thus, the schemes were not included in the verification process.

50. **The revised definition of “sustainable water system” at the Program’s restructuring reduced the target percentage of functioning water connections after two years of operation from 80 percent to 70 percent.** This was only one of the criteria for defining “sustainable systems” as described in the previous paragraph and did not affect the sustainability of the services. This change was necessary for the functioning of the PforR mechanism, as it reflected a more realistic connection rate based on observations from the Program’s first years and the previous operation.

51. **The verification failure rate was 6 percent for new schemes (linked to DLI 1.3) and 5 percent for the sustainability criteria (linked to DLI 2.1).** For the new schemes, the main reason for failure was the postponement of the verification proposed by the provinces. Only three schemes in the Gia Lai Province failed due to noncompliance with bidding regulations. The main cause for not meeting targets under DLI 2.1 was the failure to apply the water tariff for the required minimum of two years or the scheme not reaching a 70 percent connection level two years after its commissioning.

Outcome (D): Institutional Strengthening in water sector planning and monitoring

52. **The achievement of Outcome (D) is rated High.** Table 11 shows that all indicators were exceeded.

Table 11. Achievement of indicators Linked to Outcome D

No.	Indicator Name	Target Value	Achieved Value	% Achieved
II-8/DLI 3.1	# of Annual Program Plans and Program Reports disclosed	215	291	135
II-10/DLI 3.2	# Annual Capacity Development Plans implemented	105	124	118
II-7	Reports on beneficiary feedback received and feedback has been used	72	107	149
II-11	Systems are in place and being used to monitor and support sustainability of commune-wide sanitation	256	703	274

53. The Program provided capacity-building activities to implement the Program at all levels and sectors effectively. An annual capacity-building plan was developed and delivered at the district, commune, and village levels. The Program organized 166 conferences and seminars with 4,334 leaders and experts from the implementing agencies participating. The GoV staff at all levels were also trained on the Program Operation Manual (POM), on community-based WSS, integration of EMs, and gender considerations, among other topics. A total of 24,762 participants were covered through 648 trainings. Trainings provided through this Program in the 21 target provinces were especially valuable given that historically these provinces have had low capacity in project and asset management due to the low access to such capacity building opportunities and fund allocation.

54. The strong GoV ownership and cascading implementation arrangements from the central to local levels and across sectors has permitted the Program to develop and undertake communication activities at scale. Communication activities included 205 news articles, 2,228 reports in newspapers, 5,534 radio broadcasts, 30 live media events with 9,382 attendees (for example, World Water Week), 1,156 village meetings with 78,224 participants, and tens of thousands of communication materials developed and distributed (for example, calendars, leaflets, posters, and panels).



Rating of Overall Efficacy

55. **The rating of overall efficacy is High.** All four outcomes analyzed met or exceeded their targets. The Program has demonstrated attention to infrastructure development both in terms of quality and sustainability, emphasizing the importance of soft activities, such as the BCC, IEC activities, and institutional strengthening. The hard and soft measures combined with the strong ownership shown by the GoV and its willingness to timely take on board the lessons learned from the Program demonstrate the efficacy and relevance of the Program. The Program supported 6,935,556 (136 percent of 5,100,000 target) direct beneficiaries in the most vulnerable and remote provinces of Viet Nam.

C. JUSTIFICATION OF OVERALL OUTCOME RATING

56. **The overall outcome rating for the Program is Highly Satisfactory.** There were no shortcomings in the Program's achievement of its objectives or in its relevance, which were both rated High. The BCC activities developed by the Program were fully incorporated in the nationwide strategy resulting in an exponential indirect positive impact on sanitation behavior in Viet Nam.

D. OTHER OUTCOMES AND IMPACT

Gender

57. **The target provinces have high rates of EM populations and high incidents of poverty.** Attention was paid to mainstreaming activities on gender and EM inclusion throughout Program implementation. The awareness raising and capacity-building activities have led to strengthening of the status of women, girls, and EMs in their family, community, and society. The Committee on Ethnic Minority Affairs (CEMA) was an integral part of the Program's implementation arrangements, ensuring special attention to the inclusion of EMs. According to data reported from the 21 provinces, 3,567,996 EMs benefited from the Program, accounting for 51 percent of the total number of beneficiaries.

58. **The requirements of the Program were to have at least 30 percent of participants be women;** the Program exceeded this goal, reaching 3,145,057 female beneficiaries, 45 percent of the total beneficiaries. In addition, the majority of rural women are responsible for housework and childcare activities, so the results have created opportunities for women, girls, and EMs to have access to clean water, use hygienic latrines, and practice personal and menstrual hygiene. The interviewed beneficiaries reported that the clean water and sanitation services led to healthier skin, safer cooking, and better health in their households.

59. **The mobilization of women in the water supply component was limited compared to the sanitation and education component.** This may be due to the highly technical nature of the component,¹⁵ and the perception that it was a working area designated for men. In fact, although the capacity-building participants were 40.2 percent women, the disaggregated data show that women accounted for 24 percent of participants in the water supply sector capacity-building sessions, 44.6 percent in the health sector, and 57.8 percent in the education sector.

60. **Similarly, in the management and operation of water supply schemes, male workers are still the large majority.** Although there are schemes where women are involved in the operation activities, the majority of them are working in the Commune Project Management Unit or hold administrative positions. Opportunities thus exist to further develop the capacities of women in technical areas, especially for future generations.

¹⁵ Thus, reflecting any science, technology, engineering, and mathematics education gender gaps that may be present.



61. **The Ministry of Education and Training (MoET) and schools reported improved menstrual hygiene as secondary positive effects of the Program.** The Program led to the development of separate hygienic latrines for boys and girls in several schools. During the interviews, MoET and teachers reported that they observed increased attendance to schools and better sanitary conditions for girls.

Poverty Reduction and Shared Prosperity

62. The Program focused on 21 of the poorest provinces of Viet Nam and provided WSS services and capacity-building opportunities for their rural communities. Access to basic services such as clean water and latrines are the basis of economic and human development, and many households and schools were missing these basic services before Program implementation. The Program also had an effect on local private sector development through the 564 SANCONs, which were activated and served in the construction of latrines in 57,843 households as a result of the Program. In addition, 69,361 households built latrines with financial support (subsidies) from the Program: 54,564 households receiving subsidies from the Program's loan (from 2016–2020) and 14,797 households receiving subsidies from the provinces' counterpart funds (2021–2022)

II. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

A. KEY FACTORS DURING PREPARATION

63. **The PforR mechanism and the well-designed DLIs acted as strong incentives for the provinces to ensure timely delivery of the results.** The sustainability DLIs required that quality service delivery be maintained post-investment through adequate O&M. The GoV also noted that owing to the multisectoral design of the Program, the coordination between the implementing agencies was strengthened to ensure achievement of results. Examples of well-designed DLIs include DLI 2.2, which was set to monitor the CWS achievements for two years, providing a good pathway to long-term sustainability. The focus on BCC and soft activities ensured scalability and the long-term impact of the Program in a cost-effective manner.

64. **The Program strongly benefited from the example and lessons learned from the previous PforR and the scalability of the model.** While similar DLIs were applied, compared to the earlier operation, the Program had additional challenges, as it targeted the rural areas of 21 provinces that were among the poorest in Viet Nam and had the highest densities of EMs. In the targeted provinces, the access to sanitation was low, and the Program focused on the provision of sanitation services and their sustainability. To mitigate the risk of low implementation capacity of the provinces and low awareness of the target beneficiaries, the Program design strongly focused on BCC and IEC activities and market development and provided a TA on capacity building for the implementing agency.

65. **The Program integrated the lessons learned from two TAs provided by the World Bank WSP.** The first TA, carried out from 2013 to 2016, helped the GoV scale up sanitation promotion in rural areas through (a) Scaling Up Rural Sanitation - Enabling Environment, Capacity Building System, Evidence Based Learning and Lesson Sharing (P132287) and (b) Scaling Up Rural Sanitation - Strengthening Demand Creation and Supply Chain (P133773). Among the initiatives, the research and piloting in Hòa Bình Province was particularly significant for the Program, as it generated guidelines on both demand- and supply-side activities on sanitation and provided the basis for the design and implementation of the



Program.¹⁶ Subsequently, the WSP also provided another TA from 2015 to 2017, specifically for the Program to adapt the previously designed BCC approach and toolkit for the 21 participating provinces. The WSP also provided hands-on support to the implementing agencies.

66. The package of activities was comprehensively designed to focus on achieving the sustainability of WSS facilities, implemented through the following activities:

- (a) **For water schemes:** (i) improving the capacity of the operators, (ii) enhancing technical support from central agencies and provincial specialized agencies, (iii) applying water tariffs to cover O&M costs, and (iv) implementing IEC activities to increase the demand for clean water and willingness to pay water tariffs and protect water supply facilities.
- (b) **For community and school sanitation facilities:** (i) increasing awareness and behavior change related to using hygienic latrines and ending open defecation with appropriate approaches for the whole community and at schools (BCC) and (ii) providing hygienic latrine models with reasonable prices and convenient sanitation services (SANCONs).

B. KEY FACTORS DURING IMPLEMENTATION

67. Scaling up the lessons learned from the previous PforR operation to the poorest provinces through the Program was challenging in the early years of implementation mainly due to the limited implementation capacity of the target provinces. Although the PforR mechanism was known to the central government, the target provinces had no to very little previous exposure to the instrument. The challenge was overcome through broad capacity-building activities on the results-based disbursement mechanism and hand-holding support from the WSP TAs¹⁷ in the first years of implementation as well as coordination efforts between the central and provincial agencies.

68. The Program experienced difficulties in budget allocations due to the new Law of Public Investments that became effective right at the start of Program implementation. This law required all investment projects to start implementation only after their budget was allocated in the five-year Midterm Investment Plan (MTIP) of the Government. The Program could only start implementation once its budget was fully allocated through an adjustment in 2018 of the MTIP 2016–2020. In addition, the Budget Law, which became effective in 2016, introduced new requirements for controlling public debt, including setting debt ceilings for each province. Since all participating provinces were among the poorest provinces in Viet Nam, they had limited debt ceilings and encountered challenges in reducing their provincial debts below the ceiling to be able to borrow for the Program. Such changes in laws are political risks that cannot be anticipated during project design.

69. The Level 2 restructuring in 2021 extended the Program’s closing date by 24 months, from July 31, 2021, to July 31, 2023, and ensured the achievement of all Program targets, especially the sustainability DLI 2.2, which required two years of monitoring after service delivery. The GoV and World Bank worked together to assess the progress to date and take corrective measures to enable successful implementation of the Program. This included the revision of the definition of “sustainable water systems”

¹⁶ Developed materials included (a) manuals for provincial and district, commune health staff, and motivators; (b) manuals for SANCON owners and sale agents; (c) training documents specifically on how to use the tool for different health office levels: provincial, district, commune trainers; (d) posters (promotional and O&M); (e) catalogues including technical options and costs; (f) stickers for latrines O&M; and (g) video clip of activities to support training.

¹⁷ The objective of the TA was to strengthen the capacities of central, provincial, and district agencies for implementing rural sanitation and hygiene services through adaptive learning and enhancing sustainability in the planning of rural water supply services in the NM-CH regions under NTP3 and its successor program, the NTP/NRD.



to better reflect the local context and the cancellation of SDR 6.1 million, or US\$8.84 million (equivalent at that time) in IDA funds, as explained in section B of this report. The partial cancellation followed the GoV Directive stating that ODA funds could no longer be used to finance ‘recurrent-tagged expenses’ such as soft activities. However, this did not have a significant impact on the Program, as the GoV and provinces, understanding the importance of BCC activities for sanitation and IEC for water supply, allocated counterpart budget to continue the implementation of such soft activities during the two extension years (2021 and 2022).

70. The PforR requirements, such as the prefinancing of investments and counterpart funds allocation, were challenging. During the first two years of implementation, provinces encountered challenges due to the low availability of counterpart funds to prefinance investments. Most provinces were able to identify methods to prefinance construction from other sources, such as through other local programs or relying on private sector contractors to finance the construction before the results-based disbursement upon verification. There were also delays in report submission by provinces as the verification of results for such a large-scale Program (21 provinces) takes a long time (six to eight months), leading to the delayed transfer of funds. Delays in the first two years occurred also due to provinces exceeding the public debt ceiling, leading to difficulties in signing onlending contracts between the provinces and Ministry of Finance, which took place only in July 2018.

71. From March 2020 to early 2022, the COVID-19 pandemic significantly affected the implementation capacities of the agencies, especially at the local level. Nevertheless, the Program successfully achieved all targets at closing. The WSS service delivery and the BCC and soft components strongly supported the population in mitigating the negative impacts of COVID-19. This was highlighted during the meetings with the GoV and in the interviews with the beneficiaries. The positive effects of the Program’s WSS contributions were especially visible in schools, where teachers shared that the students had incorporated handwashing habits learned through the Program material and benefited from improved service delivery.

72. The Program strongly benefited from the ownership and support of the provincial agencies and their leaders. The World Bank and provincial agencies met regularly, especially to organize and ensure that the budget allocation for the Program activities was conducted early in the GoV’s fiscal year. This allowed the provincial implementing agencies to reduce delays in yearly budget allocation, which was especially important to ensure continuity of the soft activities. Support provided by the Provincial People’s Committee (PPC) included, among others, allocating adequate counterpart funds, developing and legalizing water supply tariff settings, reviewing and applying water tariffs, and providing a budget for PCERWASS for water scheme operator training and technical support.

73. The progress and quality of implementation across different provinces were not uniform. The following characteristics were observed in high-performing provinces: (a) strong support from PPCs, including advances from the PPCs for early implementation of BCC and IEC activities and quick review and approval of annual plans and budget; (b) strong collaboration between provincial implementing agencies; (c) adequate identification and preparation for the investments under the Program with little or no subsequent changes in investment list; and (d) the presence of ongoing investments at the start of the Program for quick completion and first results verification.



III. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

A. QUALITY OF MONITORING AND EVALUATION

M&E Design

74. **The Program had seven DLIs, five PDO indicators, and 11 intermediate outcome indicators that were designed to be tracked and reported on annually.** All the indicators were well designed and defined and provided a means to monitor the PDO and make informed decisions toward achieving the Program objectives. The indicators had clear baselines, and the targets were appropriately set. The Coordination Unit was mandated to annually compile all information from MoET, VIHEMA, and National Center for Rural Water Supply and Sanitation (NCERWASS), which in turn were mandated to compile data and information from their respective provincial counterparts in the 21 provinces. The design of the M&E arrangements established a clear flow of information from the provincial to central government levels (for example, from PCERWASS to NCERWASS) and across the sectors. The M&E design was well organized, clearly defined in the POM, and promoted the monitoring of the Program’s progress and strengthening of national M&E capacity in the sector. TA support provided by the Global Water Security and Sanitation Partnership facilitated the creation of a robust M&E system for tracking performance from the provincial to the communal level.¹⁸

M&E Implementation

75. **The M&E implementation was rigorous and as per design.** Data collection took place at the local level (commune and district), was subsequently compiled and processed at the provincial level by each sector agency, and was summarized at the national level by the Coordination Unit. Although regular data collection across 21 provinces was challenging, M&E was implemented successfully. Some delays in receiving complete and quality information and data were observed due to the large number of provinces covered by the Program, but no compliance or quality issues were observed. The DLI achievements were recorded annually to monitor the results and inform the subsequent annual plan. The reporting was formally documented by annual verification reports, which were transmitted to the World Bank. In addition to the annual reports, the Program also required and implemented quarterly monitoring reports to timely identify and react to any issues to ensure successful implementation. The World Bank provided continuous support and trainings on M&E when needed. The IVA procedure was appropriately implemented in the verification conducted by the SAV. The SAV has carried out independent verification of the Program’s DLI results seven times over the course of the Program.

M&E Utilization

76. **The DLI verification process added a robust annual audit of reported achievements, which served to inform Program management and decision-making.** The M&E was conducted in a timely and coordinated manner, which allowed the progress of the Program to be closely monitored and funds to be transmitted to the provinces against DLIs.

77. **The M&E system of the Program is serving as the basis to establish a national M&E system for RWSS.** The monitoring indicators for rural water supply, rural sanitation, and WSS in schools were developed and tested with the technical support of the World Bank. Such indicators have been successfully used by the GoV to upgrade the national M&E system. MARD has integrated a number of indicators used in the Program into its M&E software. MoET is planning to integrate water and sanitation

¹⁸ Technical Assistance for Improving the Legal, Institutional, and Financing Framework for Sustainable Delivery of Rural Water Services.



in its school-related indicator in its monitoring systems. Similarly, the MoH is planning to upgrade the sector's M&E system and integrate it within the ministry's general monitoring system. The MoH developed a web-based M&E system for the Program with its budget, which is expected to be deployed at the national level.

Justification of Overall Rating of M&E Quality

75. **The overall quality of the Program M&E is Substantial.** The Program integrated good practices on M&E from the other World Bank operations in the country and further strengthened the GoV's capacity to carry out results-based and informed decision-making in the WSS sector. The Government and World Bank counterpart agencies have maintained close and regular communication, and support was provided by the World Bank when requested. The GoV has integrated and is planning to continue integrating a number of indicators in its national M&E system. This is a demonstration of the strong contribution that the Program has made to the national and provincial M&E system, which is being scaled up nationwide. Although design, implementation, and utilization of M&E were adequate and successful, the efficiency of data and information flow could have been improved to reduce delays and data quality issues, which were observed during Program implementation. Going forward, further digitalization of the M&E processes, with adequate quality control measures, may lead to increased efficiency and user-friendliness.

B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

Environmental and Social

78. **At Program preparation, no significant, adverse environmental or social impacts were identified, and it was determined that any environmental and social issues could be satisfactorily addressed in the Program Action Plan (PAP) and POM.** During implementation, planning and monitoring of environmental and social aspects were conducted satisfactorily, although with some delays. The World Bank proactively monitored environmental and social aspects and raised issues during implementation support missions, and the client was proactive in addressing the pending issues.

79. **The Program's final monitoring report confirmed overall compliance with the national regulations on environmental management.** No major environmental problems or complaints were noted during Program implementation. All the required environmental instruments, that is, Environmental Impact Assessments and Environmental Protection Plan for all the water supply schemes (428/428), were prepared and approved. Environmental screening was carried out during subproject preparation to determine eligibility. Environmental considerations were taken into account during the site selection and design of WSS schemes. For construction works in the water and health sectors, environmental requirements were included in the bidding documents and monitored during implementation. By Program closing, all WSS schemes (12/12) obtained wastewater discharge permits as required. However, several WSS schemes (39/420) in six provinces are still in the process of acquiring the water exploitation permits, which need follow-up by the Project Coordination Unit and provinces. The environmental reporting, which required substantive follow-up and many rounds of revisions, improved throughout Program implementation. By the end of the Program, environmental reporting was adequately conducted in the water and health sectors but reporting in the education sector only provided generic information confirming compliance. The overall environmental performance was compliant and assessed as Moderately Satisfactory, given that overall reporting was appropriate, but reporting from the school sector was considered inadequate, and there were delays in obtaining the water exploitation permits.



80. **Land acquisition and resettlement were carried out in compliance with the national regulations on compensation and resettlement support.** Land acquisition caused minor impacts on local people, as most of the water supply schemes were constructed on public land. Some schemes required local people's land, but the required land was usually small in area and mostly forested. According to GoV data, 10 out of 21 provinces conducted land acquisition, and there were 174 affected households. Out of 21 provinces (Hà Giang, Lạng Sơn, Lào Cai, Gia Lai, Dak Nong, and Cao Bằng), 6 had voluntary land donation from 247 households. All land acquisition, land donation, and compensation payment activities have been completed. No complaints were raised during Program implementation. No labor influx issue was reported; most of the contractors had less than 50 workers on site.

81. **The Program had a strong commitment to gender mainstreaming and EM engagement.** Guidelines on gender and EM engagement were developed for Program implementation, and the GoV supported by the World Bank team conducted training of trainers' courses on implementation of the guidelines for the social focal points from the 21 provinces and national agencies. As a result, 113,180 people were engaged in capacity building and training activities in the Program's three sectors. Of these, 42.0 percent were EMs and 40.2 percent were women. Regarding consultations on water supply, all 21 provinces conducted consultations on technical designs, water tariffs, O&M, and land acquisition and compensation policies, among other topics. More than 58 percent of the people consulted were EMs and 40 percent were women.

82. Reporting on social aspects by implementing agencies was compliant and reports provided adequate information, although delays in submission were often observed.

Fiduciary

83. **The fiduciary assessment carried out during Program preparation concluded that the Program would have substantial fiduciary risks because of the large volume of financial transactions in a high number of provinces.** The POM included guidance to MARD, MoH, and the provinces on fiduciary requirements and procedures, with specific guidance on the performance-based transfer system and funds flow arrangements.

84. **All required financial audit reports were submitted in a timely manner with unqualified opinions and detailed recommendations for improvement.** The auditor of the Program (and DLIs verification) was the SAV. The internal audit function was performed by the MARD Inspectorate, whose capacity and audit methodology were inherited from the TA provided in the previous rural water PforR with MARD. The internal audit reports were sent to the World Bank annually.

85. **The PAP action on "PPCs' timely and appropriate budget allocations, including adequate allocations to sanitation and communication as indicated in the relevant inter-ministry guidance" was only partially achieved for a couple of years and only resolved near the Program's closing date.** A key reason was the Government tightening its use of ODA and the country's debt ceiling. During the extended implementation period (from July 2021 onward), the recurrent budget allocation with ODA funds was no longer allowed but shifted to counterpart funds. Despite this, the DLIs tied to soft expenditures were still achieved for the whole Program.

86. **Financial management performance** was Moderately Satisfactory for most of the Program due to the shortage of IDA and counterpart fund allocation. At Program closing, the rating was upgraded to Satisfactory, as budget issues had been addressed.

87. **No major procurement issues were encountered.** A total of 5,349 contracts were signed, with a total value of VND 3,949 billion. The implementation of these packages complied with the regulations of



the GoV and PAP 2 on procurement. All procurement indicators provided in the Program documents were monitored effectively by the Provincial Program Management Units (PPMUs) and country office. A few complaints were received during implementation of the Program; however, the received complaints were resolved successfully by the PPMUs/provincial agencies and monitored closely by the MARD Inspectorate. During the last implementation support mission, procurement performance was rated Satisfactory.

C. BANK PERFORMANCE

Quality at Entry

88. **The World Bank's performance was highly satisfactory during Program preparation and at entry.** The World Bank successfully scaled up the learnings from past projects in a challenging environment—the rural areas of 21 provinces that are among the poorest of Viet Nam. The World Bank helped the GoV establish a robust PforR structure to effectively utilize existing country systems and strategies aligned with the NTP/NRD for 2010–2020 priorities. The World Bank team also integrated the good practices and manuals developed from the TA pilot in the Hòa Bình Province. The Program was well designed, demonstrated by the fact that there were no changes to the indicators or project design at the midterm review stage. The PAD, PAP, and POM documents were well developed and thoroughly addressed the sectoral challenges and implementation risks. The DLIs were well-designed to incentivize the efficient and effective achievement of results. The technical, fiduciary, environmental, and social documents followed the guidelines and were developed in close consultation with the GoV. The continuity in the preparation of the Program from the earlier one was also one of the main factors ensuring high quality at entry.

Quality of Supervision

89. **The implementation support provided by the World Bank is rated Highly Satisfactory.** The World Bank conducted regular implementation support missions. The presence of the staff in the Hanoi Office ensured continued support to the GoV and a high understanding of the local context to guide the Program. The progress of the Program was clearly monitored, and any issues were addressed in coordination with the GoV. The supervision documents, such as Aide Memoires and Implementation Status and Results Reports, were well written and submitted in a timely manner. The provincial implementation agencies encountered difficulties in absorbing and applying the PforR mechanism during the initial years, and the World Bank provided capacity building and support as appropriate. Periodic support from the World Bank team helped implementing units in the provinces (including PCERWASS/DARD¹⁹, DOET²⁰, and DOH) understand the principles and methods of Program implementation, strengthen capacity in planning and implementation of activities, and M&E. The continuity of some team members, as well as the high level of expertise and dedication of consultants, were also observed as major factors for ensuring the quality of implementation support. It was clear from the ICR mission that the team had managed to build a strong relationship with the GoV based on trust and reliability. The World Bank team's dedication and high-quality support contributed to the achievement and overachievement of the targets. In addition, the World Bank provided technical support to NCERWASS in assessing the O&M models to provide recommendations to provinces for selecting the appropriate models for the water schemes. The team also supported MARD in developing a new decree on rural clean water exploitation and management. The draft decree, which has been discussed with the relevant ministries, is expected to be submitted to the Prime Minister in the second quarter of 2024.

¹⁹ DARD = Department of Agriculture and Rural Development.

²⁰ DOET = Department of Education and Training



Justification of Overall Rating of Bank Performance

90. **The performance of the World Bank is rated High.** The World Bank team provided high-quality support to design and implement a Program that addressed the key WSS issues in the rural areas of 21 provinces of Viet Nam. The team's effort to integrate the lessons learned from past projects was clear and had a positive effect on the quality of the Program design and implementation. A relationship based on trust and reliability was built with the GoV, which greatly contributed to the achievement of all Program objectives.

D. RISK TO DEVELOPMENT OUTCOME

91. **In terms of soft activities, such as the BCC activities, there is often a risk that these will end at the close of a program.** However, this risk is low for this Program, as the GoV is already scaling up the lessons learned and the activities nationwide. Examples include the following: (a) MoET integrated the experience from the Program in its action plans and programs on school WSS and school health and (b) the MoH developed a National BCC Program Plan based on the Program's activities that directs all provinces and cities to develop and implement BCC plans on personal hygiene, rural sanitation, and clean water use.

92. **Although the Program successfully implemented water tariffs that were previously absent in the target areas** (thus setting the foundation for the water supply schemes' sustainability), the rural water tariff rates are still generally too low to ensure financial sustainability and a revenue stream for the water schemes. The schemes in the target areas are often small, with little space to attract the private sector. However, the risk for the long-term sustainability of such schemes is rated low to moderate, as the public sector has demonstrated high ownership of the schemes given their social importance. This has been observed through the Program's sustainability DLIs, which monitored the sustainability of several schemes for more than two years. The water tariffs are established at the provincial level by the PPCs, who have demonstrated efforts to increase the tariffs gradually, thus increasing the financial sustainability of the schemes.

IV. LESSONS AND RECOMMENDATIONS

93. **The Program highlighted how the PforR can be an effective instrument for improving and sustaining RWSS planning, investments, and operations and also directing investments where they are most needed.** The infrastructure-related DLIs were reimbursed based on the number of household connections, and the provinces were incentivized to develop an annual investment plan based on the real demand and willingness to pay, which would not necessarily be the case in an Investment Project Financing (IPF) type approach. Another incentive on efficiency is the reduced construction time of the works, as provinces try to complete and get the results verified by the end of the GoV fiscal year to get the funds for the next one. This can be seen in table 12, which shows that 71.9 percent of the works were completed within 12 months. The sustainability DLIs (DLI 2.1 and DLI 2.2) required monitoring and sustaining the developed infrastructures for a minimum of two years, which incentivized provinces and communes to provide attention to O&M and monitoring. The results-based approach was also useful in shifting investment priority to areas that were lagging in terms of RWSS coverage (mountainous, remote, and high EM areas) given that these were the areas where the largest number of potential beneficiaries resided. Clear sustainability indicators and DLIs in the Program Results Framework, with clearly defined criteria and verification protocol specified in the POM, can drive sustainable RWSS PforR projects.



Table 12. Construction Time of the Water Supply Schemes in the Program

<i>Time of construction progress (months)</i>				
< 6 months	6-12 months	13-18 months	19-24 months	> 24 months
11.0%	60.9%	12.9%	8.1%	7.2%

94. **The Program showed the importance and efficacy of scaling up successful models and integrating lessons learned from previous operations and studies.** In this case, the earlier PforR and the WSP TAs²¹ were key. The Program strongly benefited from the predecessor operation, which was successfully implemented in eight provinces. The PforR model for RWSS was adapted and scaled up to respond to the needs of the 21 poorest provinces of Viet Nam. The Theory of Change and the operation model remained fundamentally similar, with the addition of strengthened BCC activities and focus on sanitation. Rural sanitation was one of the most pressing challenges in the provinces, and allocated funds exceeded the expected expenses on the sanitation DLIs, providing provinces the incentive to meet the DLIs on sanitation. On the other hand, the allocated funds for the water supply component were designed to be lower than the expected expenses. The excess funds received through the achievement of the sanitation component were thus necessary to fully fund the water supply component, incentivizing provinces to prioritize the sanitation challenges. The Program also integrated the recommendations from the WSP TA, piloted in the Hòa Bình Province. For example, SANCONs were developed for supply strengthening on hygienic latrines, and deeper focus was placed on IEC and BCC activities, which had demonstrated their fundamental role to the sustainability of RWSS and promoted a demand driven approach in the pilot.

95. **Alignment with existing GoV strategies (for example, NTP/NRD) and the well-organized implementation arrangements led to the GoV’s strong ownership of the Program from the central to provincial level.** One factor that determined the success of the Program was the capillary and cross-sectoral implementation arrangements. At the central level, there were agencies involved across the sectors, such as MARD, NCERWASS, MoET, MoH-VIHEMA, and CEMA. At the provincial and commune levels, there was strong ownership from the PPC and the commune representatives and strong technical support from the provincial sectoral agencies. The integrated reporting has also supported cross-sectoral information sharing. The alignment with the existing GoV priorities, such as the NTP/NRD, allowed good practices from the Program to be scaled up by the GoV. This is especially noticeable in the soft components. Examples include the BCC approach, which has been applied nationwide since 2019, with the goal of developing BCC plans in all communes and provinces of Viet Nam. To date, about 50 provinces have developed and approved such a plan. Moving forward, the country may benefit from the integration of the lessons from the Program such as the (a) importance and effectiveness of including sustainability criteria in water schemes development and operation; (b) demonstrated effect of inter-sectoral collaboration between different implementing agencies; and (c) effectiveness of detailed investment planning that is demand-based.

96. **Developing standardized and adaptable training modules for clients on the PforR mechanism could be useful for future operations.** The provincial agencies reported the difficulty they encountered in the initial years of implementation in understanding the PforR mechanism. It is important for actors at the province, district, and commune levels to understand the mechanism fully. This is an issue that seems

²¹ Strengthening the Enabling Environment, Capacity Building Systems and Evidence-Based Learning and Lesson Sharing (P132287) and Strengthening Demand Creation and Supply Chain Development (P133773).



to be common in other PforR projects. Although the detailed mechanism is context specific, it would be useful for the World Bank to develop a common set of training materials and modules (and possibly deployable trainers) for government counterparts, which could be quickly tailored to the country and project context.

97. **The PforR instrument can be effective, but compatibility with the client's internal budget allocation and financing procedures should be carefully analyzed during the design stage.** The PforR mechanism requirements did not match the GoV's annual budget allocation process, especially at the provincial level. The PforR's requirements, such as the prefinancing of investments and counterpart funds allocation, were challenging as the GoV budget allocation is not results-based. During the first two years of implementation, provinces encountered challenges due to the low availability of counterpart funds to prefinance investments, which led to delays in Program implementation and was one of the reasons for the two-year extension during the restructuring. As the GoV budget allocation to provinces happens once a year, the provinces had to wait several months before receiving funds against the achieved results. At the World Bank level, future projects should analyze the compatibility between the PforR approach and the GoV procedures to set agreed guidelines in the Financing Agreement, PAP, and POM. At the GoV level, it may be beneficial to consider integrating the results-based approach in the budget allocation and transfer mechanism to provinces in the RWSS sector.



ANNEX 1. RESULTS FRAMEWORK, DISBURSEMENT LINKED INDICATORS, AND PROGRAM ACTION PLAN

Annex 1A. RESULTS FRAMEWORK

(i) PDO Indicators

Objective/Outcome: Improve hygiene behavior in participating provinces

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
PDO Indicator 4: Communes where schools and health clinics have maintained hygiene status	Number	0.00 12-Nov-2015	340.00 12-Nov-2015		446.00 30-Jun-2023

Comments (achievements against targets):

The indicator has been exceeded

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
PDO 5: New approached for BCC and supply chain activities are included in the successor program to the NTP3	Yes/No	No 12-Nov-2015	Yes 12-Nov-2015		Yes 30-Jun-2023



Comments (achievements against targets):

Objective/Outcome: Increase and sustain access to sanitation in participating provinces

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
PDO Indicator 1: Direct Program Beneficiaries (Disaggregated by: % female, % female headed household; % EM household)	Number	0.00 01-Jan-2016	5,100,000.00 12-Nov-2015		6,935,556.00 30-Jun-2023

Comments (achievements against targets):

The indicator has been exceeded. The disaggregation is: 45% female; 19% female headed households; 51% Ethnic Minorities households.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
PDO Indicator 3: Communes achieving commune wide sanitation	Number	0.00 01-Jan-2016	680.00 12-Nov-2015		703.00 30-Jun-2023

Comments (achievements against targets):

The indicator has been exceeded



Objective/Outcome: Increase and sustain access to water supply in participating provinces

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
PDO Indicator 2: Households with access to sustainable water supply services (gender disaggregated by head of household)	Number	0.00 01-Jan-2016	105,000.00 12-Nov-2015		144,163.00 30-Jun-2023

Comments (achievements against targets):

The indicator has been exceeded

(ii) Intermediate Results Indicators

Results Area: Intermediate Results Area 1: Key hygienic behaviours changed amongst the population and increased access to basic services

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 1: Development and implementation of behavior change communication (BCC) plans, at the provincial, district and commune levels	Number	0.00 12-Nov-2015	105.00 12-Nov-2015		116.00 30-Jun-2023



Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 2: Schools reached through targeted BCC campaigns	Number	0.00	1,360.00		2,435.00
		12-Nov-2015	12-Nov-2015		30-Jun-2023

Comments (achievements against targets):

Only schools which have completed the BBC campaign for the first time are counted, schools which continued the next years are not counted.

The revised annual figures for this indicator are: 0 (2016); 258 (2017); 466 (2018); 528 (2019); 742 (2020); 373 (2021); 68 (2022)

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 3: Clinics with antenatal programs which are covered by BCC	Number	0.00	340.00		728.00
		12-Nov-2015	12-Nov-2015		30-Jun-2023

Comments (achievements against targets):

Only clinics which have completed the BBC campaign with antenatal programs for the first time are counted. Clinics which continued the next years are not counted.



The results for previous cycles were incorrectly reported. The revised annual figures for this indicator are: 5 (2016); 40 (2017); 133 (2018); 237 (2019); 228 (2020); 81 (2021); 4 (2022)

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 4: National BCC program is launched	Yes/No	No 12-Nov-2015	Yes 12-Nov-2015		Yes 30-Jun-2023

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 5: Increase in hand washing with soap after using the latrine increased among the target population compared to non-program communes	Percentage	0.00 12-Nov-2015	20.00 12-Nov-2015		54.00 30-Jun-2023

Comments (achievements against targets):

Analyzed during the Mid-Term Review. Details can be consulted in the Mid-Term Review Report. For comparison, this was 10% in non-target communes



Results Area: Intermediate Results Area 2: Adequate water and sanitation infrastructures in place and in working condition

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicators 6: New and rehabilitated functioning household water supply connection (FWSC)	Number	0.00	255,000.00		285,259.00
		12-Nov-2015	12-Nov-2015		30-Jun-2023

Comments (achievements against targets):

Achievement per year: 0 (2016); 9,495 (2017); 53,342 (2018); 60,873 (2019); 83,998 (2020); 55,027 (2021); 22,524 (2022). 55,484 households out of the total are female headed (19%)

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 7: Schools and health centers with new and rehabilitated water supply and sanitation facilities	Number	0.00	2,720.00		2,547.00
		12-Nov-2015	12-Nov-2015		30-Jun-2023

Comments (achievements against targets):

Schools and health centers with new and rehabilitated water supply and sanitation facilities under the program's budget. The achievement is lower than the original target as some works were completed by other programs, so no support from the Program was needed.



The annual figures for this indicator are: 16 (2016); 202 (2017); 490 (2018); 831 (2019); 647 (2020); 264 (2021); 97 (2022).

Results Area: Intermediate Results Area 3: Improved capacity for program implementation

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 8: Annual Program Plans and Reports disclosed	Number	0.00 12-Nov-2015	215.00 12-Nov-2015		291.00 30-Jun-2023

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 9: Reports on beneficiary feedback received and feedback has been used	Number	0.00 12-Nov-2015	72.00 12-Nov-2015		107.00 30-Jun-2023

Comments (achievements against targets):



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 10: Approved Annual Capacity Development Plan for Provinces implemented	Number	0.00	105.00		124.00
		12-Nov-2015	12-Nov-2015		30-Jun-2023
Comments (achievements against targets):					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Intermediate Results Indicator 11: Systems are in place and being used to monitor and support sustainability of commune-wide sanitation	Number	0.00	256.00		703.00
		12-Nov-2015	12-Nov-2015		30-Jun-2023
Comments (achievements against targets):					

ANNEX 1B. DISBURSEMENT LINKED INDICATORS

DLI 1: DLI 1.1: Number of Behavior Change Communication Plans implemented by Participants Provinces (Number)



	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	12.00	25.00	46.00	66.00	86.00	105.00	0.00	
Actual values		12.00	25.00	46.00	66.00	86.00	116.00	0.00	
Allocated amount (\$)		2,285,714.29	2,476,190.48	4,000,000.00	3,809,523.81	3,809,523.81	3,619,047.61	0.00	20,000,000.00
Disbursed amount (\$)		2,285,714.29	2,476,190.48	4,000,000.00	3,809,523.81	3,809,523.81	3,619,047.61	0.00	20,000,000.00

Comments (achievements against targets):

Currency is reported in USD. This indicator achieved 110% of the target value.

DLI 2: DLI 1.2: Number of new Communes achieving Commune-Wide Sanitation in the Participating Provinces (Number)

	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	0.00	27.00	161.00	390.00	606.00	680.00	0.00	
Actual values		0.00	27.00	161.00	390.00	606.00	703.00	0.00	
Allocated amount (\$)		0.00	1,866,176.47	9,261,764.71	15,827,941.18	14,928,526.30	5,115,591.34	0.00	47,000,000.00
Disbursed amount (\$)		0.00	1,866,176.47	9,261,764.71	15,827,941.18	14,928,526.30	5,115,591.34	0.00	47,000,000.00

Comments (achievements against targets):



Currency is reported in USD. This indicator achieved 103% of the target value.

DLI 3: DLI 1.3: Number of new or rehabilitated Functioning Water Supply Connections to households in the Participating Provinces (Number)

	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	0.00	9,595.00	62,837.00	123,710.00	202,641.00	255,000.00	0.00	
Actual values		0.00	9,495.00	62,837.00	123,710.00	202,641.00	285,259.00	0.00	
Allocated amount (\$)		0.00	2,718,176.00	15,270,454.90	17,426,388.24	20,281,878.00	13,303,102.39	0.00	68,999,999.53
Disbursed amount (\$)		0.00	2,718,176.47	15,270,454.90	17,426,388.24	20,281,878.00	13,303,102.39	0.00	69,000,000.00

Comments (achievements against targets):

Currency is reported in USD. This indicator achieved 112% of the target value.

DLI 4: DLI 2.1: Number of households in the Participating Provinces with Sustainable Water Systems (Number)

	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	0.00	0.00	0.00	8,912.00	55,626.00	105,000.00	0.00	
Actual values		0.00	0.00	0.00	8,912.00	55,626.00	144,163.00	0.00	
Allocated amount (\$)		0.00	0.00	0.00	2,121,904.	11,192,652	6,845,443.	0.00	20,160,000.00



					76	.00	24		
Disbursed amount (\$)		0.00	0.00	0.00	2,121,904.76	11,192,652.00	6,845,443.24	0.00	20,160,000.00

Comments (achievements against targets):

Currency is reported in USD. This indicator achieved 136% of the target value.

DLI 5: DLI 2.2: Number of Communes in the Participating Provinces, which have achieved Commune-Wide Sanitation two CY ago, where all public kindergarten, primary and secondary schools and health centers main (Number)

	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	0.00	0.00	0.00	26.00	152.00	340.00	0.00	
Actual values		0.00	0.00	0.00	26.00	152.00	446.00	0.00	
Allocated amount (\$)		0.00	0.00	0.00	1,147,058.82	6,292,270.50	7,560,670.68	0.00	15,000,000.00
Disbursed amount (\$)		0.00	0.00	0.00	1,147,058.82	6,292,270.50	7,560,670.68	0.00	15,000,000.00

Comments (achievements against targets):

Currency is reported in USD. This indicator achieved 131% of the target value.

DLI 2: DLI 3.1: Number of Annual Program Plans and Program Reports disclosed (Number) (Number)



	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	43.00	86.00	129.00	172.00	215.00	215.00	0.00	
Actual values		43.00	86.00	129.00	172.00	215.00	291.00	0.00	
Allocated amount (\$)		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	5,000,000.00
Disbursed amount (\$)		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	5,000,000.00

Comments (achievements against targets):

Currency is reported in USD. This indicator achieved 135% of the target value.

DLI 1: DLI 3.2: Number of approved Annual Capacity Development Plans implemented (Number) (Number)

	Baseline	2016	2017	2018	2019	2020	2021-2022		Total
Original values	0.00	18.00	31.00	52.00	71.00	91.00	105.00	0.00	
Actual values		18.00	31.00	52.00	71.00	91.00	124.00	0.00	
Allocated amount (\$)		2,571,428.57	1,857,142.86	3,000,000.00	2,714,285.71	2,857,142.86	2,000,000.00	0.00	15,000,000.00
Disbursed amount (\$)		2,571,428.57	1,857,142.86	3,000,000.00	2,714,285.71	2,857,142.86	2,000,000.00	0.00	15,000,000.00

Comments (achievements against targets):



Currency is reported in USD. This indicator achieved 118% of the target value.

ANNEX 1C. PROGRAM ACTION PLAN

Action	Timing		Achieved (Yes/No)	Completion Measurement
1. Participating Provinces will enhance transparency by maintaining databases on a) complaints and responses to those complaints; and b) beneficiary feedback to implementing agencies and responses to such feedback.	Recurrent	Semi-Annually	Yes	by Government systems, such as The National database for Citizen Feedback, Complaints and Denunciation (CFCD) which established nation-wide, with District-level data collection and a hotline set up by MARD for the SupS provinces.
Comments: These channels have been maintained through systems of hotline telephone numbers in DARDs and in the Provincial Inspectorates. However, no feedback has been posted (as reported by the provinces).				
2a. Competitive procurement applied as per Government regulations.	Recurrent	Continuous	Yes	reports and plans from MARD
Comments: Procurement activities implemented under the Program complied with the PAP 2 on procurement. No complaint has been received from January 2022 to date. All bidding processes under the Program have been completed.				
2b. All proposals for detailed design, construction supervision and bids for civil works, whether below or above cost estimates shall be evaluated; proposals and bids shall not be rejected only on the basis of minor, non-substantive deviations	Recurrent	Continuous	Yes	MARD reports.



Comments: MARD and provinces reported compliance with this PAP criteria.				
2c. State-owned enterprises dependent on Program ministries/provinces/departments will not be allowed to participate	Recurrent	Continuous	Yes	MARD reports
Comments: MARD and provinces reported compliance with this PAP criteria.				
2d. Firms and individuals on the local, national or Bank debarment/suspension lists will not be allowed to participate	Recurrent	Continuous	Yes	MARD reports
Comments: MARD and provinces reported compliance on this PAP criteria				
3a. Annual Plans and budgets will be approved at all levels with timely transfer of funds to the Province level as allocated.	Recurrent	Yearly	Yes	reports and plans from MARD
Comments: This action plan is mostly completed with minor pending items. As all works were completed before Dec 31, 2022, 2023 budget allocation was not needed. Instead, the provinces used 2022 budget for payment till Jan 31, 2023 as per MPI guidance.				
3b. PPCs allocate budget to implementing agencies in accordance with inter-ministerial guidance	Recurrent	Yearly	Yes	MARD reports.
Comments: By Oct 21, this PAP action has been almost achieved for the budget cycle 2021. 20/21 PPCs allocated 2021 budget for investments and counterpart fund				
3c. PPCs fund allocation should specifically address the under-allocation of funds to sanitation and IEC activities	Recurrent	Yearly	Yes	MARD reports.
Comments: Although most of the provinces have already made their plans for BCC and IEC, counterpart funds allocation has been approved in 20/21				



provinces. Progress is being made gradually with each PPC, with strong advocacy from MARD.

4. MARD and the participating Provinces will jointly develop and implement guidelines to ensure the effective participation of and consultation with local people, including EMs and vulnerable groups.	Recurrent	Continuous	Yes	MARD and CEMA reports.
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Comments: Training workshops for local staff and consultations with beneficiaries were continuously conducted in 21 provinces.

5. The GoV and the Program implementing agencies will implement the BCC component of the Program as per the Program Operational Manual.	Recurrent	Yearly	Yes	MARD and VIHEMA reports
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**ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION****A. TASK TEAM MEMBERS**

Name	Role
Preparation	
Parameswaran Iyer (ADM), Hoa Thi Hoang	Task Team Leader(s)
Thang Toan Le	Procurement Specialist(s)
Mai Thi Phuong Tran	Financial Management Specialist
Linh Thi Thuy Tran	Team Member
Claire Chase	Team Member
Thang Duy Nguyen	Social Specialist
Ha Thi Thu Nguyen	Procurement Team
Thuy Cam Duong	Environmental Specialist
Phuong Hoang Ai Nguyen	Team Member
Supervision/ICR	
Hoa Thi Hoang, Lilian Pena Pereira Weiss, Hung Sy Pham, Hang Diem Nguyen (ADM), Vinh Quang Nguyen	Task Team Leader(s)
Thang Toan Le	Procurement Specialist(s)
Mai Thi Phuong Tran	Financial Management Specialist
Linh Thi Thuy Tran	Team Member
Claire Chase	Team Member
Quynh Thuy Ngo	Social Specialist
Thuy Cam Duong	Environmental Specialist
David Jorge Baringo Ezquerria	Social Specialist
Yo Nishimura	ICR Author
Quynh Thuy Hoang	Social Specialist
Ha Thi Thu Nguyen	Procurement Team
Luis Felipe Atahualpa Duchicela	Team Member



Maya Gabriela Q. Villaluz	Team Member
Berta Macheve	Team Member
Nghi Quy Nguyen	Team Member
Susanna Smeth	Team Member
Phyrum Kov	Team Member
Hai Tuyen Hong Le	Consultant
Tham Dinh Dang	Consultant
Thuy Ha Nguyen	Consultant

B. STAFF TIME AND COST

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
Preparation		
FY15	25.130	292,755.07
FY16	19.434	125,993.08
FY17	2.000	6,135.35
Total	46.56	424,883.50
Supervision/ICR		
FY16	5.172	45,284.81
FY17	26.371	268,718.24
FY18	68.449	594,402.02
FY19	59.659	518,160.10
FY20	66.763	597,415.56
FY21	56.246	440,062.27
FY22	32.097	235,534.10
FY23	35.320	295,854.75
FY24	13.877	77,883.65
Total	363.95	3,073,315.50



ANNEX 3. PROGRAM EXPENDITURE SUMMARY

Source of Program Financing	Type of Co-Financing	Estimates at Appraisal (US\$, millions)	Actual Expenditures (Disbursement)		
			Actual (US\$, millions)	Percentage of Appraisal	Percentage of Actual
World Bank	Credit	200.0	173.33	88.7	83.5
Borrower		25.5	34.34	11.3	16.5
Total		225.5	207.67	—	—



ANNEX 4. BORROWER'S COMMENTS

Results-based Scaling Up Rural Sanitation and Water Supply Program, Financed by the World Bank

MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT (MARD)

DEPARTMENT OF WATER RESOURCES

Hanoi, Viet Nam

November 2023

Overall comment the Implementation Completion and Results of the Program

The **Results-based Scaling Up Rural Sanitation and Water Supply Program** has exhibited commendable success, reflecting a synergy between strategic planning at the central level and diligent execution at the local level. The central agencies, led by MARD the line agency, effectively guided localities in developing feasible annual plans, which were crucial in maintaining program fidelity and financial integrity. The Program Steering Committee, established at the central level, played a pivotal role in overseeing program management and ensuring that operational benchmarks were met. Inter-sectoral collaboration, especially with ministries like Health, Education, and Finance, was a critical success factor, allowing for the removal of bottlenecks and the facilitation of streamlined program deployment across various provinces.

At the local tier, the Provincial People's Committees showed exemplary dedication to program directives, fostering effective administration and community engagement. The Program's emphasis on measurable results, such as the expansion of water connections and sanitation, fostered targeted planning and accelerated implementation. This results-based approach not only improved service delivery but also strategically directed resources toward marginalized areas, thereby addressing disparities in water and sanitation access.

A cornerstone of the program's approach was its focus on sustainability. The initiative not only aimed for immediate improvements in access to water and sanitation but also sought to establish enduring solutions. This included prioritizing the sustainability of water supply facilities and services, as well as fostering community ownership to ensure the long-term viability of infrastructural investments. The commitment to sustainability was evident in the program's robust monitoring and evaluation framework, which continuously assessed and reinforced the operational longevity of water supply schemes.

The World Bank's technical support was instrumental to the program's effectiveness. From capacity building to technical oversight, the World Bank's involvement ensured that the program was equipped with state-of-the-art knowledge and best practices in the water and sanitation sector. This backing was vital in crafting a responsive and adaptable program design, which could confront the dynamic challenges encountered in rural sanitation and water supply efforts.

Moreover, the Implementation Completion and Results Report prepared by the World Bank is a testament to the program's thoroughness, showcasing a well-crafted document replete with strong analysis. The report eloquently articulates the program's journey from inception to completion, providing a detailed examination of the stages of implementation, challenges encountered, and the strategic solutions employed. The report's comprehensive narrative not only demonstrates the program's substantial impact but also solidifies its role as a blueprint for future initiatives aiming to enhance rural water supply and sanitation.



In essence, the Results-based Scaling Up Rural Sanitation and Water Supply Program stands as a testament to what can be achieved when strategic planning is underpinned by a commitment to sustainability and backed by expert technical support. The program's multi-faceted success story encompasses enhanced water access, improved sanitation, equitable resource distribution, and the establishment of a resilient framework for the future of rural sanitation and water services. Further details are provided below, which are in line with the ICR presented by the World Bank.

Basic Information

Vietnamese Program Name: Chương trình Mở rộng quy mô vệ sinh và nước sạch nông thôn dựa trên kết quả.

English Program Name: Results-based Scaling up Rural Sanitation and Water Supply Program.

Implementation Locations: 21 provinces - Lạng Sơn, Hà Giang, Cao Bằng, Bắc Kạn, Thái Nguyên, Bắc Giang, Tuyên Quang, Yên Bái, Lào Cai, Sơn La, Điện Biên, Lai Châu, Phú Thọ, Hòa Bình, Kon Tum, Gia Lai, Daklak, Daknong, Lam Dong, Binh Thuan, Ninh Thuan.

Donor: World Bank (WB).

Responsible Agencies:

Central Level: Ministries of Agriculture and Rural Development, Health, and Education and Training.

Local Level: People's Committees of the 21 provinces.

Program Owner: Directorate of Water Resources.

Implementation Period: 2016 - 31/12/2022; Loan closure by 31/07/2023.

Key Decisions:

Investment Policy: Decision No. 1415/QĐ-TTg (20/08/2015) and its amendments.

Program Document Approvals: Decision No. 3606/QĐ-BNN-HTQT (04/09/2015) and subsequent adjustments.

Agreement Dates:

Signing: 10/03/2016

Effectiveness: 08/06/2016

Original Closing: 31/07/2021

Extended Closing: 31/07/2023

Capital Structure:

Initial Total Cost: US\$225.5 million (World Bank: US\$200 million; Counterpart: US\$25.5 million).

Post-Adjustment Total Cost: US\$222.5 million (Loan: US\$191.16 million; Counterpart: US\$34.34 million).

Program Description

Overall Objective: To enhance hygiene behavior and increase sustainable access to sanitation and water supply in rural areas.



Specific Objectives:

Water Supply Connections: 255,000 (Beneficiaries: 1,045,000 people).

Commune-wide Sanitation (CWS): 680 communes.

Household (HH) Latrines: 400,000 newly built/rehabilitated in 21 provinces.

Water Supply Schemes (WSS) and Latrines in Schools/Health Centers: 2,650 schemes (Schools: 1,650; Health Centers: 1,000).

Capacity Building: For provincial, commune, and village levels to manage sanitation and water supply facilities effectively.

Implementation Results

The RB-SupRSWS Program has successfully surpassed the targets set forth by MARD, as presented in the Implementation Completion and Results Report (ICR), with key performance indicators measured through Disbursement-Linked Indicators (DLIs) which were annually verified by SAV and approved by the World Bank. The SAV conducted seven rounds of DLI result verification, confirming the Program's successful outcomes.

Financial Performance Results

- **Financial Statements Submission:** Annually audited, meeting World Bank requirements.
- **Disbursement:** US\$77.11 million (92.6 percent of the World Bank loans)
- **Outstanding Loan Amount:** US\$18.559 million (cancellation requested)
- **Outstanding Balance:** VND 3,879,539 million (97.56 percent of transferred fund)

Program Management and Implementation Summary

Central Level Coordination

- **Establishment of Steering Committee:** A central Program Steering Committee was formed, integrating leaders from various ministries such as Agriculture and Rural Development, Health, Education and Training, Finance, Ethnic Minority Affairs, and representatives from the State Audit of Vietnam and Bank for Social Policies. This committee also includes officials from the People's Committees across 21 participating provinces.
- **Operational Guidelines:** The Ministry of Agriculture and Rural Development (MARD) was tasked with promulgating the operational framework for the committee, ensuring its functionality and governance.
- **Central Agencies' Role:** Key agencies have a mandate to provide comprehensive direction through documents that oversee the Program's adherence to set objectives and guidelines.

Local Level Implementation

- **Provincial Management Structures:** The Provincial Program Management Units (PPMUs) are established, with leadership roles assigned to heads of provincial People's Committees and other relevant department leaders.



- **Delegation of Responsibilities:** Local People's Committees have the authority to issue decisions that distribute specific Program responsibilities to various departments, ensuring clarity in roles and active engagement.

Financial Management and Community Engagement

- **Financial Planning:** Strict planning and timely disbursement of budget as per Vietnamese government and World Bank regulations, ensuring the Program's financial integrity.
- **Public Participation:** Active strategies are in place for community mobilization, aiming for widespread understanding of the Program's goals, financial mechanisms, and implementation milestones.

Program Execution Quality Assurance

- **Audits and Inspections:** Regular auditing and inspection procedures are integral to the Program, ensuring accountability and transparency throughout the implementation process.
- **Training and Development:** Investment in training programs for construction, operation, and maintenance enhances the quality and sustainability of rural water supply infrastructure.

Capacity Building and Sustainability

- **Enhanced Program Management:** Intensive training programs focusing on Planning, Monitoring & Evaluation (M&E), procurement, and financial management are conducted to bolster program management efficacy.
- **Water Supply and Sanitation:** Sustainability initiatives aim to improve the longevity of water supply schemes and sanitation services through strategic capacity building in operation, maintenance, and community-based communication (BBC).
- **Independent Verification:** Training includes rigorous protocols for the monitoring and reporting of water connections and sanitation, ensuring program compliance and accountability.

Policy Support and Development

- **Policy Research:** The program supports extensive policy research in sanitation and the engagement of the private sector in water and sanitation activities.
- **Fiscal Management:** The Program mandates the creation of financial statements adhering to international accounting standards, which are made publicly available to ensure transparency.

Monitoring, Reporting, and Evaluation

- **Comprehensive Reporting:** Detailed and regular reporting mechanisms are in place, with provincial and ministry-level reports being compiled and submitted to national and international bodies like the World Bank.
- **M&E Protocols:** M&E is thoroughly conducted annually, at mid-term, upon completion, and during any unexpected events to assess the Program's progress and impact.



Environmental and Social Compliance

- **Environmental Safeguards:** A robust environmental screening process is in place to ensure subprojects meet the Program's environmental criteria, including impact assessments and necessary exploitation permits.
- **Social Considerations:** The Program includes regular monitoring of compliance with social safeguards, ensuring that the social aspects of the Program align with its overarching goals.

Internal Audit and Risk Management

- **Internal Audit Function:** The MARD Inspectorate assumes responsibility for the internal audit across the Program, ensuring financial and operational integrity.
- **Risk Mitigation and Management:** Program documentation incorporates risk mitigation strategies to address potential construction and environmental risks, ensuring worker and community safety.

Water Resources and Risk Mitigation

- **Resource Management:** The Program adheres to the Water Resources Law, incorporating comprehensive water resource management and pollution control measures.
- **Risk Mitigation Strategies:** The Program includes specific measures in bidding and construction documents to address and mitigate environmental and safety risks effectively.

Procurement Analysis

- **Competitive Bidding:** The program adopted competitive bidding methods that comply with governmental regulations, ensuring a fair and transparent selection process.
- **Proposal Evaluation:** Evaluation of proposals and bids is comprehensive, with the stipulation that minor deviations do not constitute grounds for rejection. This indicates a balanced approach to procedural compliance and practical considerations.
- **Exclusion Criteria:** Specific exclusions are in place to enhance integrity, including barring dependent State-Owned Enterprises (SOEs) and firms or individuals listed on local, national, or Bank debarment/suspension lists from participating in the bidding process.
- **Transparency Measures:** A dedicated database tracks all complaints and accusations related to fraud and corruption within the Program, showcasing the commitment to transparency and accountability.
- **Regulatory Compliance:** Procurement activities strictly adhere to the Program Action Plan (PAP) and the Program Operations Manual (POM), suggesting a high level of regulatory compliance.
- **Performance Metrics:** The award of 5,349 contracts worth VND 3,948,983.531 million, with a satisfactory completion rate and absence of complaints as per MARD Inspectorate, indicates a robust and efficient procurement process.

Technical Assistance, Training, and Capacity Building

- **Centralized Support:** Central agencies offer comprehensive support in management and technical areas, reinforcing provincial and district program implementation capabilities.



- **Capacity Building (CB):** Provinces have executed tailored CB plans with targeted objectives, overcoming initial implementation challenges and significantly improving local understanding and execution of program principles and activities.
- **Operational Training:** Special emphasis on training for individuals responsible for water supply scheme management (56 percent managed by CPC/community) contributes to the sustainable operation of these facilities.
- **Sector-specific Skills:** Annual training initiatives in the education and health sectors focus on communication and management of sanitation facilities, with an emphasis on hygienic practices among school students and health workers.
- **Inclusivity in Training:** Training demographics reveal a strong representation of ethnic minorities and a commendable gender balance, exceeding the program's minimum requirements for female participation.
- **Provincial Technical Support:** Biannual technical assistance prioritizes provinces with underperforming water connection indicators, underlining a strategic approach to capacity enhancement.

Environmental Management

- **Guidance and Compliance:** Field visits and site reviews were conducted to ensure compliance with environmental safeguards. The environmental screening process across 20/21 provinces reflects a consistent approach to risk mitigation.
- **Permitting Process:** The pursuit of water exploitation and wastewater discharge permits by most provinces demonstrates a commitment to legal and environmental compliance.
- **Environmental Plans and Monitoring:** The approval of numerous Environmental Protection Plans and the integration of environmental considerations into project monitoring and reporting illustrate a proactive environmental management strategy.
- **Public Disclosure:** Transparent communication with communities regarding project details and potential impacts suggests a commitment to community engagement and responsiveness.
- **Sectoral Discrepancies:** Despite comprehensive environmental reporting in water supply, noted deficiencies in the health and school sanitation sectors highlight areas for improvement in environmental accountability.
- **Impact Assessment:** Environmental performance results indicate that the program's implementation sites have been chosen to minimize environmental impact, aligning with community and local government consultations, and ensuring the least disturbance to existing conditions.

Land Acquisition, Gender Mainstreaming, and Technical Advancements

Land Acquisition and Resettlement

- **Legal Framework:** Activities conducted in compliance with Vietnamese laws on land recovery.
- **Voluntary Participation:** 6 out of 21 provinces saw voluntary land donations from 246 households.



- **Complete Acquisition:** All land acquisition and compensation processes completed with 420 households affected and a total area of 413,395.249 m² acquired.
- **Compensation and Site Clearance:** Undertaken in 10 provinces; others did not require it due to public and donated land usage. No complaints received regarding the compensation totaling VND 13,114,558,287.

Gender Equality and Empowerment

- **Awareness and Inclusion:** Improved awareness of gender equality, with more engagement from women and ethnic minorities in the project.
- **Benefits to Women:** Enhanced access to water, sanitation, and hygiene facilities has eased the workload on women and enabled better development opportunities for girls.
- **Technical Participation Gaps:** Despite progress, men still lead in technical consultations and operations, but women are increasingly involved, especially in financial and administrative roles.

Technical and Technological Aspect

- **Standards and Regulations:** Followed Vietnamese construction standards, incorporating international standards and new technologies where applicable.
- **Innovation in Operations:** Implementation of new technologies in the construction and maintenance of water supply schemes, including fee collection systems.
- **Design and Compliance:** Water supply designs are evaluated for compliance with Performance, Operational, and Maintenance (POM) criteria before approval, ensuring high-quality outcomes.

Program Overview: Advantages, Challenges, and Remedies

Advantages

- **Effective Leadership:** Strong guidance and problem solving by authorities at all levels ensured smooth program operation.
- **Innovative Framework:** Utilization of a Disbursement-Linked Indicators (DLI) framework, focusing on sustainable outcomes and service delivery.
- **Independent Verification:** Annual DLI achievements are verified by the State Audit of Viet Nam, improving transparency and accountability.
- **Audits and Directions:** Regular internal audits by the MARD Inspectorate and subsequent directions for improvements bolster program integrity.

Challenges

Budget and Funding

- Initial two-year delay due to planning and fund allocation issues.
- Difficulties in onlending procedures due to public investment and public debt ceilings.
- Delays in tranche allocations and restrictions on fund withdrawal delaying program progress.

Policy and Mechanism Constraints



- ODA limitations on extending the implementation and funding period.
- Inconsistencies between national regulations and donor requirements, affecting investment procedures.
- Onlending mechanism conflicts with local public debt limits, complicating financial agreements.

Capacity for Implementation

- Limited local capacity and unfamiliarity with the new implementation method causing delays.
- Low education levels and frequent changes in official assignments hinder program consistency.

Implementation Arrangement

- Confusion at the central level on TA activities and local implementation guidance.
- Slow fund allocation and poor inter-departmental coordination at the local level, leading to delayed actions and disbursements.

Results Verification and Auditing

- Lengthy and large-scale verification and audit processes (lasting up to six months) delay the capital withdrawal.

Monitoring and Evaluation

- Challenges in supervising large and diverse terrain, especially in resource-limited provinces.

Pandemic Impact

- COVID-19 significantly affected the implementation pace from mid-2020 to early 2022.

Remedies

- **Collaborative Reviews:** Central and local agencies regularly review and direct the program's execution.
- **Technical Assistance:** Provision of specialized support to provincial implementing units.
- **Phased Verification:** Adapting the verification timeline based on provincial reporting progress.
- **Improved Coordination:** Better planning, capital allocation, and annual disbursements through enhanced cooperation with relevant departments and agencies.

Lessons Learned:

At the Central Level

- **Program Planning:** The line agency must guide localities in developing feasible annual plans, following the program's fund withdrawal procedures.
- **Inter-Agency Collaboration:** The line agency should work proactively with sectors like Health, Education, Planning, Investment, Finance, and the State Bank to facilitate local implementation.



- **Program Steering Committee:** A committee is necessary to help the line agency manage the program, with clearly defined tasks.
- **Regular Inspections:** Ministries need to create inspection and supervision plans to work with agencies and the World Bank, ensuring program support at the local level.
- **Program Operation Manual (POM):** A detailed POM is crucial for consistent local implementation and evaluation.

At the Local Level

- **Effective Leadership:** There must be strong direction from all levels to address implementation challenges.
- **Program Commitment:** The Provincial People's Committees should ensure adherence to the program provisions.
- **Clear Understanding:** Definitions and principles of the program must be explicitly communicated to avoid confusion.
- **Result-Oriented Program:** The focus should be on tangible outcomes like water connections and sanitation, considering the sustainability of the initiatives.
- **Institutional Solutions:** There's a need for strategies to ensure the sustainability of water supply facilities.
- **Capacity Building:** Prioritize information dissemination and team capacity building before starting investment activities.
- **Ongoing Monitoring:** Regular and ad-hoc audits and evaluations are needed to provide timely solutions.

Recommendations:

At the Central Level

- **Rural Water Supply Decree:** A decree to govern rural domestic water supply may be beneficial.
- **Policy Improvement:** Continue refining policies related to rural water supply.

At the Local Level

- **Post-Investment Supervision:** Oversight of water supply schemes after completion is required, in line with Decree No. 43/2022/ND-CP.
- **Safe Water Assurance:** Comply with Circular No. 23/2022/TTBNNPTNT for rural water safety.
- **Financial Support for Communication:** Fund activities that promote sustainable management and operation of water facilities.
- **Cost-Reflective Water Pricing:** Develop pricing that includes all costs, with subsidies where necessary to ensure effective operation.
- **Integrated Investment Planning:** Pool resources from various national programs for more impactful development.



- **Private Sector Involvement:** Create incentives for private investment in water supply infrastructure.
- **Effective Management Models:** Improve the management structures, especially community-based models.
- **Operational Training Plans:** Mandate annual operational and maintenance training for water supply scheme managers.
- **Public Awareness:** Enhance efforts to educate on safe and economical water use, hygiene, and environmental protection, ensuring the sustainability of investments.