



CTB

**AGENCE BELGE
DE DÉVELOPPEMENT**

**ANNUAL REPORT 2011
PROJECT BELGIUM – VIETNAM STUDY
& CONSULTANCY FUND**

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1 Summary

1.1 Analysis of the intervention

The intervention has only one aim: to finance in full or in part consultancies in order to realize studies, missions, seminars, workshops and other services in the framework of the development cooperation between Belgium and Vietnam.

Budget	Expenditure per year (up to Dec 2011)	Total expenditure year N (31/12/2011)	Balance of the budget	Execution rate
871,840	548,745.09		193,449.33	63%

1.2 Key elements

In 2011 the Fund was used only to a limited extend for financing the following studies:

- Consultancy Services for Urbis 2010 Building a GIS-based Information System for Hanoi's Urban Management by 2010;
- Consultancy for making surveys, detailed design and cost estimate for the rehabilitation of Hoc Mon reservoir.
- The consultancy for review of the Provincial Solid Waste Management Plan and for developing District Solid Waste Management Plans for the four districts of Hoai Nhon, Phu My, An Nhon and Tay Son.
- Gender workshops to streamline the Indicative Cooperation Programme between Belgium and Vietnam 2011 – 2015

The Urbis Hanoi study has known serious delays due to a poor performance from the Belgian contractor who won the tender. End 2010 negotiations are ongoing between Donreh Hanoi, BTC and Eurosense on how to proceed with the contract: ending or finding an acceptable proposal to move forward. A solution was reached with Eurosense in suggesting to sub-contract the Joint-venture of SPACEBEL (Belgium) and CIGC (Vietnam) to carry out the contract. Submission of the draft final report was made in end December 2011.

The Hoc Mon reservoir detailed design study has known serious delays due to the unfruitful tendering process in 2009 and the lengthy re-tendering implementation and finalization until December 2010. The detailed design submitted in February 2011 was not accepted by BTC due to an insufficient quality and a lack of data in terms of geographical and topographical surveys. The improved detailed design documents are expected to be available middle February 2012 after the topo-geological survey correction works done by the design consultant.

A new request was made in June 2011 for the consultancy to help the Ministry of Science and Technology to elaborate and finalize its project proposal "Support to the development of business incubators" into an identification file to be fully aligned with the development priorities of Vietnam and of Belgium development strategy (the ICP 2011-2015) in Vietnam in the next four years.

The Fund SC meeting organized in November 2011 acknowledged the usefulness of the Fund for on-going and future programmes and mutually endorsed the need for an extension of the Fund with new elements below:

1. To extend the validity of the current Specific Agreement until June 21st 2015;
2. To broaden the scope of applications for the use of the SCF to other sectors, not necessarily linked to the priority sectors as stipulated in the agreed minutes of the 6th Joint Commission for Development Cooperation and ICP 2011-2015;
3. To replenish the Fund by a new grant of the GoB with an amount of Euro 3 million as stipulated in the agreed minutes of the 6th Joint Commission for Development Cooperation and ICP 2011-2015

DGD has informed BTC and MPI that all the elements necessary to justify an extension are available but that the proposed extension of 4 years cannot be endorsed by the current care taker government. In consequence, an extension of one year only (i.e. until 31/12/2012) is proposed with a replenishment of one million € without affecting the ulterior extension until 21/06/2015 and up to three million €.

The exchange of letters budget between the two governments is going on on the extension of the Specific Agreement until 31st December 2012 with a new replenishment of 1 million Euro to the Fund budget. The extended SA will really come into force after receiving official letter from the Government of Vietnam.

1.3 Key Risks

There are no real risks. The on-going contracts will be finalized in Q1 2012 and final payments can be made in Q2 2012.

The assumption is that sufficient consensus during discussions between Belgium and Vietnam on how to broad the scope of applications (which sectors will be retained) and about the ceiling amount of maximum 60,000 Euro per study as stipulated in the new ICP.

1.4 Key lessons learned and recommendations

In its first version the Study Fund implied an ad hoc tender procedure based on competitive quotations. This has evolved to a more integrated tender process for requests by partner institutions, using Vietnamese procedures, with no objection steps from BTC included and joint assessment.

However, the balance between assuring ownership and efficiency must be well considered. For studies which are important for the progress of the bilateral cooperation program, it seems more appropriate to use an ad hoc procedure, which combines transparency and competition with a speedier implementation.

The fund will be used for studies under the new ICP 2011-2015 and/or broaden sectors. This implies agreeing prior to launching these studies on the terms of reference with DGD and MPI.

The use of the study fund if being used for appraisals for FINEXPO demands must be well balanced to avoid that the fund would be used to prepare funding requests from private companies, but could remain focussed on quality control of proposed investments.

2 Analysis of the intervention

2.1 Context

2.1.1 Evolution of the context

The actual SCF dates from 2003 and has known two times budget replenishments as well as different prolongations.

A new framework of Study Fund Specific Agreement would have been prepared in the framework of the new ICP 2011-2015. It was then decided that an extension of time being along with the time of the new ICP 2011-2015 (June 2015) and a new budget replenishment of 3 million Euros could be made on the existing fund SA.

The actual Specific Agreement will end in December 2012.

2.1.2 Institutional Anchoring

Score: Appropriate

The application for a consultancy is made by a Vietnamese government agency at central or decentralized level to the Vietnamese Fund Director and the attaché. Requests can also be introduced by MPI or by the Embassy. If necessary, the attaché or the Fund Director provide their advice and assistance in the preparation of the request for a study or consultancy, or request the support of BTC. It has to be noted that in most cases (if not all) BTC is involved from the very beginning of the process and contributes to the improvement of the TOR where needed (or, in some cases, is preparing the TOR in close cooperation with the beneficiary).

The Fund Director and the attaché jointly approve the funding of a consultancy or study. Once approved, BTC is requested to start the execution while as mentioned before the execution is either jointly managed by the requesting institution or managed by BTC with approvals of MPI.

The studies are completely within the framework of both the Vietnamese poverty reduction and development strategies and the Belgian development cooperation policy.

2.1.3 Execution Modalities

Score: Appropriate

Tenders respect the Vietnamese tender regulations. The principles of competition, transparency and accountability are respected. Each study or consultancy is internationally or nationally tendered after assessment of the needed expertise for the approved study. Selection of the successful offer is based on a combination of financial and technical evaluation.

The selection procedure results in a contract between the successful bidder and the beneficiary institution, cosigned by BTC – after formal approval by MPI -. For studies initiated by MPI or DGD, contracts are signed by BTC after formal approval by MPI.

Contracts are based on the approved ToR of the study. All payments are approved by the Fund Co-Directors: BTC and the Ministry of Planning and Investment.

For tenders above 67.000 Euro, an external assessment of the tender procedure is systematically made before awarding the contract.

For each study related to a new program of the bilateral cooperation an ad hoc follow-up committee is created composed of representatives of the MPI, DGD, BTC and beneficiary. For studies related to facilitation of implementation of projects, like detailed designs or feasibility studies, follow-up is done by BTC, MPI and the beneficiary.

Reporting on the progress of the study fund is done twice a year during the Joint Working Team meetings.

2.1.4 Harmo-dynamics

In general terms the Study and Consultancy Fund has been used in a manner compliant with the requirements of the Governments of Belgium and Vietnam.

2.2 Specific objective

2.2.1 Indicators

Specific objective: to support investigation, identification, preparation and follow up studies, missions and services of projects and programs in the framework of the Belgo-Vietnamese Development Cooperation						
Indicators	Baseline value	Progress year N-1	Progress year N	Target year N	End Target	Comments
No indicators or Logical Framework available	N/A	N/A	N/A	N/A		

2.2.2 Analysis of progress made

The Belgo-Vietnamese Study and Consultancy Fund has been up to today a useful instrument in achieving its aim as stipulated in the specific agreement article 1: to support investigation, identification, preparation and follow up studies, missions and services of projects and programs in the framework of the Belgo-Vietnamese International Cooperation.

It is at this moment being used for the further preparations for the new Indicative Cooperation Program, while the use is being expanded to the broader framework of the Belgo-Vietnamese International cooperation.

The different studies have proven to be useful tools to assure quality of interventions and facilitate start up of new projects and programs.

However in 2011 some problems occurred:

- Poor quality of work for the consultancy on Urbis Hanoi 2010, leading to delays, negotiations;
- The detailed design documents submitted in early 2011 was refused by BTC due to an insufficient quality and a lack of data in terms of geographical and topographical. The survey correction works took more time it is only mid February 2012 that the re-

submission of improved detailed design documents is expected.

2.2.3 Risks and Assumptions

Risk (describe)	Probability (score)	Potential implications		Risk Level (score)
		Describe	Score	
There were no assumptions formulated for the Specific Objective	NA	NA	NA	NA

2.2.4 Quality criteria

Criteria	Score	Comments
Effectiveness		The Specific Objective is very broad and no indicators
Efficiency		Medium: Time needed for finalizing tenders and contracts with partners takes too long, especially for studies under the project VIE0703511
Sustainability		Study Fund does not ambition sustainability
Relevance		Very relevant, facilities bilateral cooperation

3 Decisions taken by the JLCB and follow-up

The reporting of the progress of the use of the fund is integrated in the reporting to the partner committee. Ad hoc studies are followed up by ad hoc commissions.

All decisions on approval of studies have been implemented

4 Annexes

4.1 Overview of executed and on-going studies

Budget code	Detail descriptions	Budget	Disburesment as of Sep'11	Total commitment as of Dec'11
A_01_01	Irrigation system in Ninh Thuan province	45,645.56	45,645.56	
A_01_02	Sanitation in Binh Thuan province	29,177.27	29,449.05	
A_01_03	Water system in Binh Dinh province	64,362.37	64,362.37	
A_01_04	Solid Waste - Khanh Hoa province	6,761.75	6,761.75	
A_01_05	Sanitation in Phu Yen province	52,357.31	52,357.31	
A_01_06	Irrigation system in Binh Dinh province	52,942.18	52,942.18	
A_01_07	Risk assessment of pollution in Phu My town of Binh Dinh	25,594.89	32,101.65	
A_01_08	Technical supervision for risk assessment of pollution in the well	2,028.82	2,028.82	
A_01_09	Strengthening of institutional capacity of the Vietnam Women's Union	-	-	
A_01_10	Verification of the Feasibility of the proposed Lanh Ra irrigation	-	-	
A_01_11	Verification of the Feasibility Study of the Irrigation Scheme	-	-	
A_01_12	Preparation of Targeted Budget Support for EFA Plan	22,276.87	22,276.87	
A_01_13	Acquifer capacity investigation for Phu My Water Supply	32,729.52	32,729.52	
A_01_14	Final Seminar Report fo Environmental Education Program	5,088.99	5,088.99	
A_01_15	Identification - supporting the Vietnamese Textile and Garment	16,726.42	16,726.42	
A_01_16	Documentary on 30 years of cooperation between Vietnam and Belgium	16,178.97	16,178.97	
A_01_17	Consulting services for the Capacity & Risk Assessment of Ninh Thuan	19,713.06	19,713.06	
A_01_18	Urbis Hanoi 2010 - Building a GIS based Information System	58,800.00	17,687.63	41,112.37
A_01_19	ENCOR - consultant on survey, detailed design & cost estimate	78,690.00	69,308.74	
A_01_20	CPS - MPI: evaluation of URBIS tender Hani 2010	1,500.00	1,491.42	
A_01_21	Consultancy on Survey, detailed design & cost estimate of Hoc Mon	54,780.48		54,780.48
A_01_22	Feasibility study on cacao chain development in South Vietnam	14,000.00	14,005.28	
A_01_23	Request for studies for solid waste management plan in Binh Dinh	61,650.00	43,231.87	18,418.13
A_01_24	Workshop: Integration of the gender perspective into the new ICP 2011-2015	4,992.52	4,657.63	334.89
A_01_25	Pre-identification development of business incubator	15,000.00		15,000.00
Z_01_01	Unallocated fund	193,959.23	(688.96)	
Z_01_02	Operation cost	0.05	4.94	
	TOTAL	874,956.26	548,061.07	129,645.87

4.2 Project fiche

Signature of S.A.: August 8th 2000

SA expiry date: December 31st December 2012

Total Budget: 1, 871,840 Euros

Aims: financing of consultancies in order to realize studies, missions, seminars/workshops and other services in the framework of the DC between Belgium and Vietnam.

Beneficiaries: exclusively the GoV Agencies and Organizations

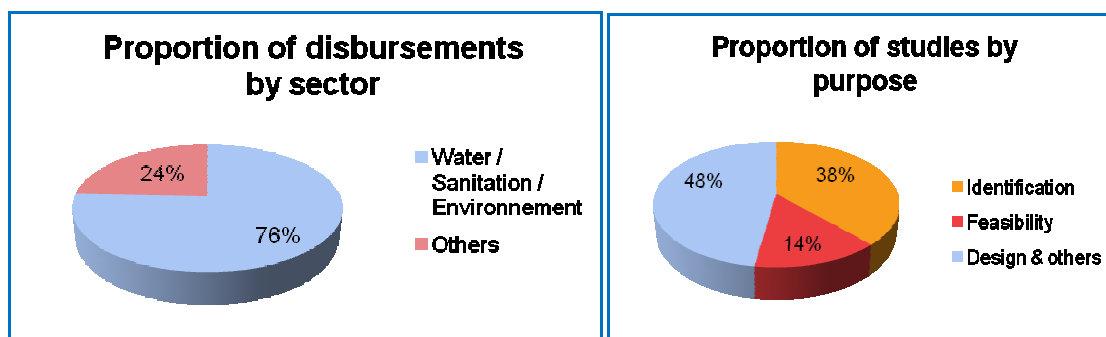
MPI: SCF Director

BTC Representative: Belgian Supervising Officer

Last report: September 2011

4.3 Studies fully completed

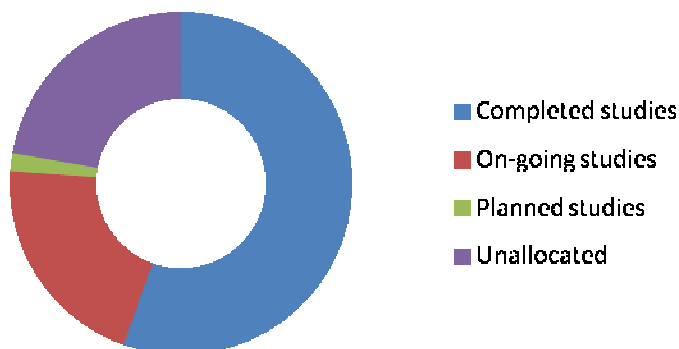
No	Studies	Contract value	Real disbursement (in EURO)	Remarks
1	Identification of VIE0402111 Ninh Thuan irrigation	\$13,750.00		Completed 2003
2	Verification of the feasibility of the proposed Lanh Ra Irrigation Scheme in the framework of VIE0402111 Ninh Thuan irrigation	\$34,675.00	45,645.56	Completed 2004
3	Identification of the project VIE0402611 Binh Thuan sanitation and environment	\$39,225.00	29,449.05	Completed 2005
4	Identification of the project VIE0402311 Phu My water supply	\$44,416.00	64,362.37	Completed 2003
5	Identification of the project Nha Trang – Khanh Hoa sanitation and environment	\$7,797.00	6,761.75	Completed 2003
6	Identification of the project VIE0402411 Tuy Hoa - Phu Yen sanitation and environment	\$53,935.00	52,357.31	Completed 2004
7	Identification of the project VIE 0402211 Phu My Irrigation	\$34,265.00		
8	Verification of the FS of the Irrigation Scheme in the framework of VIE 0402211 Phu My Irrigation	\$34,675.00	52,942.18	Completed 2003
9	Risk assessment of pollution for the project VIE 0402311 Phu My water supply	\$8,580.00	32,101.65	Completed 2004
10	Identification of the project VIE 0402811 Vietnam Women's Union - Phase 3	\$43,700.00		Completed 2005
11	Technical supervision for risk assessment of pollution for VIE0402311 Phu My water supply	\$34,265.00	2,028.82	Completed 2004
12	A National Financial Management Advisor - preparation of TBS for EFA Plan Implementation	\$11,080.00		
13	An International Financial Management Advisor - preparation of TBS for EFA Plan Implementation	\$24,000.00	22,276.87	Completed 2005
14	Long Term Test Pumping in Phu My (formulation)	39919	32,729.52	Completed 2006
15	Final Seminar Report of Environmental Education Programme		5,088.99	Completed 2005
16	Identification of the Project VIE0402911 Textile Entrepreneurship	\$18,470.00	16,726.42	Completed 2006
17	Documentary on 30 years of cooperation between Vietnam and Belgium	vnd354,600,000	16,178.97	Completed 2008
18	Consulting services for the Capacity and Risk Assessment of Ninh Thuan province	vnd499,824,000	19,713.06	Completed 2009
19	Consultancy services for evaluation of the tendering procedures for formulation of the Project URBIS Hanoi 2010	€ 1,500	1,491.42	Completed 2009
20	Consultancy on Survey, detailed design and cost estimate for Phu Cat Water Supply under the project VIE0703511 Binh Dinh water supply and sanitation (advance payment)		69,308.74	Completed 2010
21	Feasibility study on cacao development		14,005.28	Completed 2010
TOTAL			483,167.96	



4.4 Beneficiaries

Beneficiaries are in line with S.A. exclusively the Vietnamese Government agencies and organizations.

4.5 Financial status



No.	Item	Amount (in EUR)	Comments
1	Completed disbursements as of 30th Sept. 2011	483,167.96	21 studies and consultancies
2	Disbursements committed for ON-GOING STUDIES	180,223.00	4 studies + 1 workshop
	<i>URBIS 2010</i>	58,800.00	
	<i>Hoc Mon Reservoir detailed design (Binh Dinh)</i>	54,780.48	
	<i>Solid waste management plans for 4 districts (Binh Dinh)</i>	61,650.00	
	<i>Gender workshop</i>	4,992.52	
3	Budget for new requested study	15,000.00	1 study
(*)	<i>Improvement of the Identification profile for Development of Business Incubators by Ministry of Science and Technology</i>	15,000.00	TOR under finalization. Invitation expected in December 2011. The exact amount to be defined after selection
I	SUM 1+2+3	678,390.96	
II	TOTAL SCF BUDGET of which	871,840.29	
	Budget signed in 2000	371,840.29	
	Budget replenished in 2003	500,000.00	
III	Unallocated fund as of 31st December 2011	193,449.33	