

28 October 2009

H. E. Bui Ba Bong  
Vice Minister  
Ministry of Agriculture and Rural Development (MARD)  
Hanoi, Viet Nam  
Fax No: (84 4) 845 4319

Excellency:

**Subject: Loan 2283-VIE: Agriculture Science and Technology  
—Loan Review Mission (1-8 October 2009)**

We would like to express our sincere gratitude for the kind cooperation extended by the Ministry of Agriculture and Rural Development (MARD) to the ADB Mission. The Mission was able to carry out a comprehensive review and received support from the relevant departments of MARD and other concerned agencies. Enclosed is the revised Aide Memoire of the Mission. We will appreciate receiving MARD's confirmation of the Aide Memoire before 19 November 2009.

We recognize MARD's efforts on the overall progress of the Project. As a follow up on the Mission's findings, we would like to request your oversight and guidance on the following aspects to ensure that the Project remains on track:

- (i) Refinement of the design/contract of the research programs towards a focused orientation towards market linkages for the poor, food safety, and reconciling agriculture with environment.
- (ii) Implementation of the monitoring and evaluation system for the research and extension projects, starting with training relevant staff.
- (iii) Strengthen extension projects to further improve on social, economic, environmental assessment; and pro-poor extension materials.
- (iv) Strengthen collaboration between the schools and trade/agro-industry associations to ensure increased awareness on new emerging issues related to agriculture and climate change.
- (v) Expedite submission for ADB approval of pending draft bidding documents, and award of contract, for the procurement of civil works and goods.
- (vi) Resolution on the timely availability of counterpart funding from the People's Committee, especially in Ninh Thuan and Quang Nam provinces.
- (vii) Preparation of for the Midterm Review in 2010.

Your continued cooperation and support would be highly appreciated.

Sincerely,



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Officer-in-Charge  
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Aide Memoire  
1-8 October 2009

Loan 2283-VIE(SF): Agriculture Science and  
Technology Project  
- Loan Review Mission



**ASIAN DEVELOPMENT BANK**  
**Loan No. 2283-VIE(SF): Agriculture Science and Technology Project**  
**Aide Memoire**  
**of the**  
**Project Review Mission**  
**(1-8 October 2009)**

**I. INTRODUCTION**

1. On 1-8 October 2009, the Asian Development Bank (ADB) fielded a Mission<sup>1</sup> to Viet Nam to review the implementation of Loan No. 2283-VIE (SF): Agriculture Science and Technology Project (The Project). The Mission conducted comprehensive discussions with the Ministry of Agriculture and Rural Development (MARD)—the Executing Agency (EA) of the Project—including the National Agricultural and Fishery Extension Center (NAFEC), Department of Science, Technology and Environment (DSTE), Department of Organization and Personnel (DOP), Agricultural Project Management Board (APMB), Central Project Management Unit (CPMU) and the Consultant team, Vietnam Academy of Agricultural Science (VAAS), Institute of Agricultural Science of Southern Vietnam, Secondary Technical School for Food Processing, Agricultural and Rural Development Secondary Technical School, Southern Fruit Research Institute, and the provincial project management unit (PPMU) in Ninh Thuan. The Mission visited research program on introduction of VietGAP to long-gan farmers in Bentre Province and two extension demonstration models for indigenious people on livestock management and maize intensification in Ninh Thuan Province.

2. The Mission (i) reviewed project implementation issues and remedial measures to be taken, particularly delay in sending out trainees for overseas study programs; (ii) followed up on the implementation of the research programs towards a pro-poor, pro-climate change, market-oriented approach; (iii) discussed updates on collection of baseline information and performance indicators developed for the research and extension activities; (iv) discussed the progress on extension demonstrations and the availability and timely allocation of counterpart funding by the Ninh Thuan People's Provincial Council; (v) reviewed contracts awarded and disbursements projections for 2009 and 2010; (vi) followed up on submission of draft bidding documents for the procurement of small-scale civil works and goods of remaining research institutes and schools; and (vii) reviewed the Borrower's compliance with the loan covenants.

3. The Mission was concluded with a wrap-up meeting on 8 October 2009 in Hanoi, chaired by Dr. Bui Ba Bong, Vice Minister of MARD, and attended by staff of MARD and representatives of other government agencies/organizations/stakeholders. A list of persons met and those present at the wrap-up meeting is shown in Appendix 1.

4. This Aide Memoire records the findings of the Mission, and agreements reached between representatives of the Government and the Mission. Agreements reflected herein are subject to approval by higher authorities of the Government and ADB. The Government's confirmation of the Aide Memoire is requested by 21 November 2009.

**II. BACKGROUND**

5. ADB approved the Loan on 11 December 2006 for SDR 20.198 million (US\$30 million equivalent) from ADB's Special Funds resources. The Loan Agreement became effective on

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<sup>1</sup> The Mission comprised of Sununtar Setboonsamg (Mission Leader).

13 June 2007 with a loan closing date of 30 June 2012. The last loan review mission was fielded on 9-17 March 2009.

6. The Project aims to strengthen the national agriculture science and technology (AST) system in Viet Nam, thereby contributing to the sustainable and equitable growth of the agriculture sector and ultimately to reduced rural poverty. The Project addresses critical issues involved in AST development, including the low level of linkages among key AST areas (agricultural research, extension, and training), and the gap in the capacity of physical and human resources for the national AST system. The Project contributes to the resolution of these issues and increase the effectiveness and relevance of AST activities for clients to receive benefits of improved AST, and promote on-farm and off-farm sustainable use of natural resources. Inclusion of the three key AST areas under the Project as part of the integrated national system is vital if the full potential of AST development is to be realized. The Project has four components namely (i) client-oriented agricultural research and capacity strengthening, (ii) grassroots agricultural extension improvement, (iii) rural-based technical and vocational training, and (iv) project management.

### **III. REVIEW OF PROJECT IMPLEMENTATION**

#### **A. Overall Progress**

7. As of 30 September 2009, overall progress of the Project has been estimated by the Project Director of the CPMU to be at 58% (Appendix 2) against the elapsed time of 51% since loan approval. It should be noted that since its inception, the Project has been hampered by (i) a delay in consultant recruitment, (ii) slow start-up, (iii) delay in allocation of counterpart fund, (iv) slow process of approval of IPMUs and PPMU investment plans, and (v) weak capacity of IPMUs, PPMUs, and the CPMU. Given the difficulties faced during the first 1.5 years of the project, the project team is commended for the progress made since the last quarter of 2008 up to the third quarter of 2009. Investment plans, procurement plans, as well as research and extension plans are now largely in place and disbursements have begun to pick up since the last quarter of 2008.

8. The increase in the imprest account from \$1 million to \$3 million has aided in meeting financial commitments with the exponential increase of project activities such as the launching of 125 research projects and a significant number of extension activities (6,000 trainees in 19 ToT training courses, 213 training courses for services providers and key farmers, and 209 extension contracts have been implemented thus far) all at the same time.

9. With exponential increase of project activities, the challenge of effectively monitoring the project activities is substantial. The Project needs a coherent vision of a pro-poor and pro-climate change development strategy to guide and link activities in all project components. With a shared vision being understood by all project team members at central and provincial levels, and with the monitoring and evaluation framework in place, the synergism among project activities can be enhanced. Effective technical input from consultants is crucial in assuring quality of project activities.

#### **B. Progress of Project Implementation**

10. The Mission reviewed the progress under each of the project components and discussed the timetable for planning and implementation of various activities for 2009. A revised

implementation schedule is attached in Appendix 3. The Mission also discussed the Project's implementation plan for 2010.

## 1. Client-Oriented Agricultural Research and Capacity Strengthening

11. **Client-Oriented Research Programs.** The Project is promoting agricultural research programs and timely application of research results to clients' practical uses. Research proposals focusing on knowledge, information, and technologies relevant to the agro ecological regions serviced by regional research institutes are funded under the Project. DSTE is overseeing activities under this sub-component.

12. In the first round of research program selection, fifty eight (58) proposals (amounting to approximately \$3.5 million) have been accepted by MARD. These were approved by ADB, on 13 February 2009, based on the fact that all conditions under the loan covenant related to selection process were met by the Selection Committee.<sup>2</sup> To date, \$468,102 has been disbursed and the second advance is expected to be disbursed in October 2009.

13. Second round of research selection has been completed. Eighty-four, out of 314 research proposals, have been shortlisted for full proposal and 67 full proposals were approved by MARD. On 8 September 2009, ADB approved 67 proposals (amounting to approximately \$2.0 million) based on CPMU's affirmation that (i) the research projects are pro-poor and do not have any negative implications on social, health, and environment; (ii) research activities will be completed and ready for extension within 2 years, (iii) the research proposals have been developed together with the provincial agriculture extension centers with inputs from the farmers and will be carried out using farmer's participatory method, and (iv) baseline information will be collected at the beginning of the research and monitoring systems have been put in place for the programs. A study visit to Korea on research management, conducted in September 2009, was reported as highly successful with follow-up activities initiated by participants in their respective institutes.

14. Monitoring and evaluation system has been developed by the Project and training has been conducted for researchers in the first batch. Training for researchers in the second batch is scheduled for end October 2009. On content of the research projects, the Mission reiterates the concerns raised during the March 2009 Review Mission that a large number of research projects are not ones which can produce short-term results at a relatively low cost nor can easily be extended to poor farmer. A number of research projects for indigenous people living in the upland and watershed areas are on intensification of production systems using agro-chemicals, which may have negative environmental and social consequences. DSTE agreed that researchers will require significant support from DSTE and the consultants to improve experimental designs to ensure that the outputs could be utilized by poor farmers while serving toward the goals of the national climate change plan and SPS/food safety action plans. Where research contracts will require modification, DSTE will provide full support to ensure effective and timely implementation of the activities. CPMU and DSTE agreed to collaborate more closely to (i) improve the research program, (ii) train researchers, (iii) implement the monitoring system, and (iv) conduct spot check on the implementation of research projects.

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<sup>2</sup> The Selection Committee is composed of DSTE, CPMU, NAFEC, Ministry of Planning and Investment, Ministry of Science and Technology, General Company for Fruits and Vegetable, VAAS, Gardening Association, Science Committee of MARD, and the Department of Animal Husbandry.

15. The Mission provided technical reports and powerpoint presentations on agriculture and climate change and new direction of agricultural research and development to guild project activities. The Mission also requested that a brief summary of the implementation progress of the research programs be included in the quarterly reports submitted to ADB.

16. **Training of Research Staff.** The subcomponent is addressing the shortage of qualified research staff by providing on-the-job training and postgraduate and postdoctoral study programs for the staff of agricultural research institutes and other institutions of the national AST system. The on-the-job trainings will enable staff to effectively utilize the existing and proposed laboratory equipment and facilities, and improve staff knowledge and skills to manage sophisticated facilities. DOP is overseeing activities under this sub-component.

- (i) **Overseas Training.** Of the 55 students envisioned to study overseas, a total of 56 have been identified after 3 rounds of selection. However, 8 have resigned. Thirty-two(32) have completed admission procedures and have already gone overseas to study (consisting of 2 PostDoc, 16 PhD, 14 Master - 6 to the United States, 8 to Australia, 6 to Germany, 2 to Netherland, 2 to Japan, 4 to Thailand, 1 to Denmark, 1 to England, 1 to India, and 1 to Sweden). To date, about 14% of students who have gone abroad are women. Delay in enrollment and acceptance of trainees selected in batch 1 and 2 occurred since the trainees did not meet the universities' standards in terms of English qualifications. Workshops have been held to help selected trainees find suitable universities and improve English skills.

DoP and CPMU requested ADB to accept 3 more candidates who passed the English test but earned below standard score on i.e. mathematics. The Mission agreed to consider the proposal on a case by case basis based on strong justifications i.e. pro-poor nature of degree program, gender, if the candidate is from poor provinces, etc.

There are Ph.D candidates who will complete their studies after the current loan closing date. DoP was assured by oversight agencies that the Government will request for loan extension during the mid-term review of the Project in 2<sup>nd</sup> quarter of 2010.

The Mission expressed concern about the implementation progress of this sub-component and requested the DOP, with the assistance of the Training Consultant, to improve timely implementation. DoP agreed to immediately announce the fourth round of selection using new improved strategy of recruitment with the goal to place all students by March 2010. Given the remaining time of Project, it was agreed that the 4<sup>th</sup> round will focus on master degree, post doctoral program, and possibly short course training.

- (ii) **Local Training.** Twenty training classes to strengthen the capacity of research staff belonging to the 10 research institutes have been conducted, in collaboration with the Viet Nam Academy of Agricultural Science (VAAS), in 2009. The list of courses included: (i) GIS technology to evaluate environment impacts and manage resources, (ii) AAS, (iii) HPLC System, (iv) Human Management Skills, (v) Informatics and computer skill, (vi) Website designing, (vii) Analysis of rice contents, (viii) Macro-economic GTAP, CGE in market



forecast, (ix) Using of GCMS machine, and (x) English. A total of 440 research staff participated, 188 of whom were women (42.8%).

With the number of training activities increasing at an exponential rate, consultants have been requested to ensure that the training programs are coherent and leading to ultimate outcomes of poverty reduction of farmers in remote areas who have so far been underserved. Pro-poor training modalities and training materials developed under other aid agency projects and nongovernment organizations working with the poor should be utilized by the Project. Where feasible, training activities using distant learning technologies is encouraged. The Mission requested that data collected from training evaluation be analyzed to extract lessons to improve future training activities. A summary of evaluation are to be included in quarterly progress report of the Project.

17. **Upgrading of Research and Laboratory Equipment.** The Project is providing and upgrading essential research and laboratory equipment of selected MARD agricultural research institutes to fill critical gaps in research due to outdated equipment. DSTE is overseeing activities under this sub-component.

18. ADB endorsed the investment plans approved by MARD for the 10 participating Research Institutes.<sup>3</sup> The installation of research and laboratory equipment, and necessary trainings, is expected to be completed by June 2010. To date, 10 institute IPMUs have received MARD's approval of technical specification. Bid invitations have been prepared and advertised. The timeline for the procurement of the packages is listed in the table below:

	NAME OF INSTITUTE	PACKAGE NO.	ADB APPROVAL	DEADLINE OF SUBMISSION OF BIDS	EXPECTED AWARD OF CONTRACT
I. GOODS					
1	Soil & Fertilizer Research Institute	Package 3 Package 1 & 2	18 Aug 2009 25 Aug 2009	28 Sep 2009 28 Sep 2009	November 2009 November 2009
2	Northern Mountainous Agriculture Forestry Institute	Package 1 Package 2&3	18 Aug 2009 1 Oct 2009	28 Sep 2009 4 Nov 2009	November 2009 December 2009
3	Agriculture Environment Institute	Package 11	4 Sep 2009	5 Oct 2009	November 2009
4	Forest Science Institute of Viet Nam	Package 1 Package 2, 3	26 Aug 2009	28 Sep 2009	November 2009 2010
5	Food Crop Research Institute	Package 1 & 2	1 Sep 2009	25 Oct 2009	November 2009
6	Plant Protection Research Institute	Package 1 Package 2	21 Aug 2009 4 Sep 2009	4 Oct 2009 4 Nov 2009	November 2009 November 2009
7	Cuu Long Delta Rice Research Institute (Can Tho)	Package 1, 2, 3, 4	Expected in Nov 2009		
8	Institute of Agricultural Science for Southern Viet Nam (HCMC)	Package 2, 3	5 Oct 2009	9 Nov 2009	December 2009
9	Institute of Policy and Strategy for Agricultural & Rural Development (Hanoi)	Package 1, 2, 3, 4	Expected in Nov 2009		
10	Southern Fruit Research Institute (Tien Giang province)	Package 1, 2	5 Oct 2009	9 Nov 2009	December 2009
11	Western Highlands Agroforestry Science and Technical Institute (Daklak)	Package 1 Package 2	5 Oct 2009	9 Nov 2009	December 2009 2010

<sup>3</sup> The Agriculture Environment Institute was added as a recipient of research and laboratory equipment. The number of participating research institutes remains at 10.

## 2. Grassroots Agricultural Extension Improvement

19. The Project is improving farmers' access to participatory and pro-poor extension services, and is strengthening linkages between agricultural research and extension services. Activities are being implemented in Dak Nong, Nghe An, Ninh Thuan, Quang Nam, and Thanh Hoa provinces. NAFEC is overseeing activities under this component.

20. **Pro-poor Provincial Agricultural Extension Services.** This sub-component provides for (i) ongoing technical training programs for local extension staff and farmer groups, and (ii) procurement of basic equipment and provision of support for incremental costs of the information and communication capacity and networks of NAFEC, provincial agriculture extension centers, and district stations for agricultural extension.

21. The implementation of this subcomponent commenced in the 3rd quarter of 2008. Progress and recommendations for this subcomponent are listed as follows:

- (i) All the five provinces participating in the Project have obtained approval from the People's Provincial Committee for their provincial implementation plan for agricultural extension.
- (ii) Progress of Dak Nong has improved but is still behind schedule. CPMU will provide intensive supervision to ensure timely implementation in this province.
- (iii) Training of Trainer (TOT) Groups totaling 45 staff (9% women) have been established for each province. Among them, 7 are post graduate level while the rest are graduates of agricultural sciences, livestock, and forestry. Training needs have been completed for four provinces and is on-going in Dak Nong Province. TOT training assessment revealed that training needs on market linkages for the poor should be prioritized. Pro-poor training modalities and training materials already developed under other aid agency projects and nongovernment organizations with strong mandates in working with the poor (such as ADDA or SNV) should be utilized by the Project. Provinces have provided training for TOT, provincial/district staff, agriculture extension staff and suppliers. So far, there has been no systematic evaluation of the training. The Mission requests that evaluation be conducted and the report of evaluation of training be included in quarterly report to submitted to ADB.
- (iv) NAFEC conducted a survey in all five participating provinces in October 2008 on ways to effectively disseminate agricultural extension information. Results showed the importance of strengthening the capacity of NAFEC and PAFEC by providing training and strengthening relations with mass media to disseminate technologies to the farmers. The survey also showed that there are needs for training extension staff on information dissemination skills as well as production of quality video on agricultural suitable technologies to provide farmers. An action plan has been developed based on the findings. Training, equipment procurement and other capacity strengthening activities have been identified as the most suitable dissemination mechanism for each of the five provinces. Procurement of equipment for 5 provinces have been completed, equipment for NAFEC is being processed. Training courses on extension dissemination skills are being carried out. Pilot activities in cooperation with mass media have been proposed. Some activities proposed by NAFEC for 2009 are behind schedule and should be expedited.

- (v) Insufficient allocation of counterpart funds in two provinces, Ninh Thuan and Quang Nam, has contributed to delay in project implementation. Details of issues related to counterpart funds and remedial actions are discussed in paras. 47-49 of this Aide Memoire.
- (vi) At the start of the Project, the problem of lack of service providers to submit bids for extension contract was a serious concern. In time, with the implementation of Government Decree No. 115 becoming widely known, the number of service providers have increased in the Project. Nevertheless, insufficient number of service providers to submit bids is still a problem in some mountainous provinces. The Mission recommends engaging NGOs to provide training to potential service providers in the mountainous provinces.

22. **Promotion of Extension Contracts.** The sub-component is financing on-farm demonstration trials in the provinces through contractual arrangements with regional or national research institutes to strengthen the provincial links between research and extension.

23. Nghe An, Ninh Thuan, Thanh Hoa and Quang Nam have awarded 209 agriculture extension contracts with the total estimate budget of VND 27 billion (\$1.7 million).

24. In 2009, contracts awarded by the PPMUs have been as follows: Thanh Hoa (78 demonstrations and 3 trial models), Ninh Thuan (24 demonstrations and 5 trial models), Nghe An (58 demonstrations and 4 trial models), Quang Nam (37 demonstrations). Dak Nong completed the procedures for 22 demonstrations and now negotiating the contract signing.

25. The Mission visited two demonstration models in Ninh Thuan province and noted the need to improve on the following: (i) social, economic, and environmental assessment; (ii) pro-poor extension materials; (iii) gender focus, and (iv) baseline and monitoring system. NAFEC and CPMU will collaborate more closely to review and improve extension activities.

26. The Mission reiterated the recommendations provided in the March 2009 Mission and added the following recommendations:

- (i) Where feasible, contract farming schemes of safe food and environmentally friendly products (such as organic products) is to be promoted. Study tours for farmer leaders and TOT be organized to visit schemes organized by the Metro Supermarket and box schemes or organic vegetables organized by NGOs and social entrepreneurs in different locations in the country.
- (ii) Extension program for poor households is to adopt a holistic approach of empowering the households and not focusing only on yield improvement without consideration on market linkage. Other production-related issues such as i.e., processing, packaging, or marketing should be considered. For indigenous communities, production of high-value products for niche market is to be prioritized.
- (iii) Where demonstration plots are set up, letters of invitation to households to visit the demonstration plot should be addressed to the women at least once in the three formal visits under the Project. This will ensure that women will also benefit from the project activities.
- (iv) Additional training be conducted on (i) gender mainstreaming, (ii) participatory method, (iii) climate change, environment, social, and health implications of agriculture technologies.

- (v) The system of information dissemination to farmers through ICT technologies in particular through mobile phone (SMS) be explored for the project. NAFEC and CPMU are to review experiences of using SMS to send information to farmers and assess the feasibility of introducing into the Project.

### 3. Rural-Based Technical and Vocational Training

27. The capacity of rural-based technical and vocational training schools is being strengthened by (i) improving technical knowledge, teaching, and managerial skills of teachers and administrators and curricula; and (ii) upgrading library and laboratory equipment and materials, teaching and laboratory facilities, and office equipment for school administration. DOP is overseeing activities under this component.

28. Detailed cost estimates for the training program of all the 10 schools have been approved by MARD. Workshops and seminars on development strategy for the 10 schools in the Project are being carried out. Those conducted include the following:

- (i) One training course on *Curriculum Completion and Training Material Development for 10 Project Schools*,
- (ii) three training courses on *Curriculum Development for Administration Officers in 10 Schools*,
- (iii) four training courses on *Training by Certificate*,
- (iv) English training courses for teachers and staff in 10 schools, and
- (v) Ten workshops for *Vocational Training Strategy Development*.

29. Through these workshops, the 10 schools have been able to do the following:

- (i) Prepared strategy development plans up to 2020,
- (ii) Prepared individual outlines on curriculum completion and training material development (with detailed cost estimates),
- (iii) Established a steering board on curriculum completion and training material development, and
- (iv) Prepared a training master plan to strengthen the capacity of each school in 2009.

30. Almost all schools have completed the survey on current curriculum and training needs evaluation. Two schools have sent program implementation progress report and training materials to DOP.

31. All schools have completed approval of technical specification of equipment and bidding documents are being prepared with the help of CPMU. The table below lists down the status of the procurement of small-scale civil works and laboratory and library equipment.

	NAME OF SCHOOL	PACKAGE NO.	ADB APPROVAL	DEADLINE OF SUBMISSION OF BIDS	EXPECTED AWARD OF CONTRACT
<b>I. CIVIL WORKS</b>					
1	Central Region College of Technology, Economics and Water Resources, Quang Nam	Package 3	24 Jun 2009	8 Sep 2009	Oct 2009
2	Northern College of Agricultural and Rural Development, Ha Tay	Package XL4	3 Jul 2009	15 Sep 2009	Oct 2009
3	College of Food Industry, Da Nang		10 Jul 2009	10 Sep 2009	Oct 2009
4	Secondary Technical School for Food and Foodstuff Management, Hai Phong	Package XL	21 Jul 2009	14 Sep 2009	Oct 2009
5	Technology and Economics Vocational School, Hanoi	Package 3	6 Aug 2009	29 Sep 2009	Oct 2009
6	Northern Water Resources College, Ha Nam	Package 3	18 Aug 2009	21 Sep 2009	Oct 2009
7	Secondary Technical and Vocational School, Lam Dong	Package 3	28 Aug 2009	19 Oct 2009	Nov 2009
8	Southern Agricultural College, Tien Giang Follow up bid docs and timeline until award	Package 3	Small value at \$15,000, not submitted to ADB	direct contract	Completed
9	Southern College for Engineering and Agriculture, Can Tho	Package 3	29 Sep 2009	2 Nov 2009	Nov 2009
10	HCMC Food & Foodstuff Technical College, HCMC	Package 3	Expected in Nov 2009		2010
<b>II. GOODS</b>					
1	Northern Water Resources College, Ha Nam	Package 4 Package 6	20 Aug 2009 27 Aug 2009	28 Sep 2009 28 Sep 2009	Oct 2009 Oct 2009
2	Southern College for Engineering and Agriculture, Can Tho	Package 4,5,6,7,8	10 Sep 2009	21 Oct 2009	Nov 2009
3	Central Region College of Technology, Economics and Water Resources, Quang Nam	Package 4,5,6	Expected in Nov 2009		
4	Northern College of Agricultural and Rural Development, Ha Tay	Being translated into English Pack 4,5	Expected in Nov 2009		
5	College of Food Industry, Da Nang	Being translated into English Package 4	Expected in Nov 2009		
6	Secondary Technical School for Food and Foodstuff Management, Hai Phong	Being translated into English Package 4	Expected in Nov 2009		
7	Technology and Economics Vocational School, Hanoi	Package 4&5	Waiting for ADB approval		
8	Secondary Technical and Vocational School, Lam Dong	Being translated into English Package 4	Expected in Nov 2009		
9	Southern Agricultural College, Tien Giang	Package 4&5	5 Oct 2009	9 Nov 2009	Dec 2009
10	HCMC Food & Foodstuff Technical College, HCMC	Package 5, 6, 7	Expected in Nov 2009		

32. Attention is required on:

- (i) Improving the coherence of scattered activities and exchange among institutes and schools.
- (ii) Using the MARD's Masterplan for Climate Change, SPS action plan, and food safety plan to guide the development of curriculum development. Updating institutes and school on emerging issues in agriculture development, particularly on green technologies in agriculture
- (iii) Strengthening collaboration with trade and agro-industry associations to ensure that training activities address the needs of the rapidly changing environment of the food industry. Where feasible, internship and on-the-job training programs with the industry should be encouraged.

#### 4. Project Management

33. The CPMU is the overall project management support, acting as the central contact and coordination point for the Project, and monitoring the progress of all components. There are five provincial project management units (PPMU) in five provinces and 20 institute project management units (IPMU) in ten research institutes and ten agricultural colleges and vocational schools implementing the various project activities.

34. The following highlights the Mission's findings and recommendations:

- (i) **Financial Management.** The approval in the increase in imprest account ceiling from \$1 million to \$3 million addressed the expected exponential increase in disbursement since the award of research and extension proposals. Withdrawal applications have been coming in regularly.
- (ii) **Administrative Capacity.** CPMU staff are qualified and familiar with ADB procedures. The weakness in the PPMUs and IPMUs are being addressed through continuous training with support from Viet Nam Resident Mission.
- (iii) **Slow Submissions of PPMUs and IPMUs.** One factor causing delay in the project is the slow submission of financial documents on statements of expenditures from PPMUs, IPMUs. The trainings organized by the CPMU should address this point. CPMU is to assure completion of supporting documents prior to submitting to ADB to facilitate timely processing of approval process.
- (iv) **Monitoring and Evaluation Capacity.** With hundreds of research, training, and extension projects currently being implemented, staff responsible for monitoring activities in CPMU, IPMU, and PPMU are to increase their activities and report to CPMU regularly. Consultants are to provide training for monitoring and evaluation activities in October and November to relevant project staff.
- (v) **Translation Issues.** The Mission noted the many difficulties faced by the CPMU due to insufficient resources allocated to meet the translation of project documents. Recognizing the importance of having a qualified translator to translate official and technical documents in the Project, the Mission recommends that a full-time translator be engaged from uncommitted funds under the Consultant's contract.

### C. Procurement of Civil Works, Goods, and Services

35. An updated list of procured items has been provided by the CPMU and is shown in Appendix 4. The status of procurement activities for each component in the project design is listed as follows:

- (i) **Component 1:** ADB has endorsed the investment plans approved by MARD for the 10 participating Research Institutes. The CPMU reported that the bidding plan has also been approved for these institutes. Procurement and installation of research and laboratory equipment, and necessary trainings, is expected to be completed by June 2010. Seventeen out of 28 equipment packages have been approved by ADB and IPMUs are announcing the bid through mass media. It is expected that most of the contract awards will be completed in December 2009.
- (ii) **Component 2:** The procurement of office equipment for the PPMUs and extension equipment for agricultural extension at district level are completed. PPMUs. Disbursement is expected to be completed in November 2009.
- (iii) **Component 3:** Procurement plan for the library and laboratory equipment has been approved and procurement process is on-going with a goal of completing the activities by June 2010.

### D. Consulting Services

36. **Status of Consulting Firm Inputs.** Out of the 123 person-months of consulting services inputs (29 international and 94 national), a total of 59 person-months (11 international and 36 national) have been utilized. A schedule of consultant inputs completed and yet to be provided are presented in Appendix 5.

37. The project consulting service of the Project is unique in that the first part of the consultant inputs were provided under TA 4619<sup>4</sup> led by a different team of consultants. The consultants under TA 4619 provided supports to established the project implementation procedures and the current team was fielded in September 2008 to provide technical inputs on project implementation. Since the current team was fielded 13 months after the start of the project when some project activities have already started, they faced some difficulties in providing effective inputs. With international consultants providing only intermittent inputs and with the need to replace four consultants (international M&E specialist, international agricultural extension specialist, domestic social development specialist, and domestic environmental specialist), the lack of technical inputs in these areas has significantly affected the project activities. The replacement process has been completed and all four consultants are expected to be fielded before the end of 2009. It is expected that their inputs will effectively improve quality of project activities, in particular the the quality of research and extension. The Mission endorsed the request by CPMU to not replace the international training specialist whose remaining input is less than 1 month. Instead, the funds are to be reallocated for use in the traveling of consultants to support research and extension projects and to engage a full-time translator to assist international consultants and to assist in translating relevant technical materials to provide to all schools and research institutes.

38. The Mission noted the improved communication between consultants and CPMU since the last review Mission. To further facilitate effective inputs from consultants whose office is

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<sup>4</sup> ADB. 2005. *Technical Assistance to the Socialist Republic of Viet Nam for Strengthening Agriculture Science and Technology Management*. Manila (TA 4619–VIE).

located in a different location than the CPMU, the Mission reiterated the need to hold regular weekly meetings to update each other on key project issues and outcomes.

39. It was brought to the attention of the Mission that the project office will be moved in 2010. Upon moving, the Mission requested that MARD provide sufficient working space for CPMU and consultants to work in one location.

40. The domestic consultants are engaged through VICA consulting firm. The Mission was informed that the financial management specialist under the Project is working full-time for another foreign assisted project and requested VICA to rectify the situation as soon as possible. VICA payment to domestic consultants has been irregular and often delayed by many months, contributing to low morale and less than optimal performance of consultants. VICA assured the Mission of timely payment for consultants in the remaining period of the Project.

41. **Status of Individual Specialists.** Up to September 2009, the Project has engaged 7 national individual consultants (extension specialists for the 5 provinces, a training consultant, and a CPMU coordinator) for a total of 156 person-months input. To date, 75 person-months have been rendered.

#### **E. Project Reporting**

42. ADB received the semi-annual progress report for 2009 on 30 July 2009. The content of the report was better than the previously submitted one but still needs more detail. The Mission reiterates the need for the Project to improve the quality of the report. The progress report should include details of project progress for each component and sub-component along with attachments such as update of the loan covenants, update of the action plan for all activities under each component, computation of overall implementation progress, and an update on the list of items procured. A list of reports submitted and publications under the Project is shown in Appendix 6.

#### **F. Project Costs and Financing**

43. **Contract Awards and Disbursement.** As of 30 September 2009, the CPMU reported total disbursement of VND 111,345,547 million (approximately \$6.30 million) comprising of VND 83,509,160 million (approximately \$4.81 million) of ADB funds and VND 27,836,387 million (approximately \$1.48 million). A schedule showing overall project expenditure to date, as well as future financing needs are enclosed as Appendix 7 and 8 respectively.

44. The status of ADB Loan utilization as of 30 September 2009 can be found in Appendix 8. As of end-September 2009, the dollar-equivalent value of ADB's loan (SDR20.198 million) was \$31.718 million, of which \$5.506 million has been disbursed.

45. **Audited Financial Statements.** Since the disbursements for 2007 were minimal (less than 1% of the imprest account of \$1 million), ADB waived the auditing of 2007 project accounts and allowed that this be submitted together with the 2008 project accounts. The financial statements for 2007 and 2008 were submitted to ADB on 20 July 2009.

46. The Mission followed up on proposed follow-up actions for concerns raised in the audited financial statements:



- (i) **Management of Allowances.** Some project staff in PPMU and IPMU are working part-time for more than one ODA project. The CPMU is requested to strictly monitor their schedule of time allocation and payment following Government Decision no. 61.
- (ii) **Non-payment (through Banks) of Expenditures Exceeding VND5 million.** The PIM requires that payment for expenditures (wages, stationeries, rental of cars) exceeding VND5 million using cash, instead of checks or through bank transfers require approval by MARD. To be consistent with MARD's rule which allow for cash payment up to VND20 million, the Mission requested that CPMU process the request to modify PIM for approval of ADB and MARD.
- (iii) **Compliance with Procedures on Implementation of Extension Contracts.** We note that some households received extension materials (fertilizers and repellants) prior to the awarding of the contract to the service provider. CPMU has taken actions to rectify the situation with PPMUs immediately after the issue was raised by auditor in July 2009. PPMUs have agreed to follow strict guideline of CPMU and the Government.

47. **Counterpart Funds.** Of the \$4.3 million counterpart funding requirement reflected in the Project's projected expenditures for 2009 (Table A4.2 of Appendix 8), approximately \$2.16 million has been committed by the Central Government for expenditures covering Components 1, 3, and 4; while a total of approximately \$0.416 million has been committed by the five participating provinces for activities in Component 2.

48. Counterpart funds from CPMU has been sufficient for project implementation but counterpart funds from PPMUs faced some difficulties. The PPMUs have contributed the following counterpart funds for project activities: (i) Dak Nong, VND1,538 million (\$96,000); (ii) Quang Nam, VND1,000 million (\$ 62,500); (iii) Thanh Hoa, VND2,871 million (\$180,000); (iv) Nghe An, VND2,350 million (\$147,000); and (v) Ninh Thuan, VND750 million (\$47,000).

49. The allocation of counterpart fund for Dak Nong, Thanh Hoa and Nghe An provinces are sufficient. However, counterpart fund is insufficient for Ninh Thuan and Quang Nam PPMUs. The lack of counterpart fund in Quang Nam and Ninh Thuan Provinces caused delay in project progress. MARD has sent official letters to the Provincial People's Committee of Quang Nam and Ninh Thuan to suggest solutions for timely release of counterpart funds. The Mission requests that CPMU follow up closely with PPCs to resolve the counterpart funds issue in these two provinces. The Mission was assured by MARD that counterpart funds for 2010 for CPMU and IPMUs will be sufficient.

## **G. Benefit Monitoring and Evaluation**

50. In addition to the strategic importance of AST for the sustainable and equitable growth of the agriculture sector, the Project is expected to generate two distinct streams of economic benefits to the sector through (i) more client-oriented agricultural research and extension services, and (ii) improved capacity of rural-based technical and vocational training. The national monitoring and evaluation (M&E) consultant, who was mobilized on 18 November 2008, has prepared M&E formats for all three components of the project and mapped them for the respective PPMUs and IPMUs, including the CPMU. In the process of developing the M&E indicators the NM&ES consultant visited Ninh Thuan and Nghe An PPMUs, and a school in Bac Loc. The M&E formats have incorporated comments from all PPMUs and IPMUs. He has had discussions with CPMU personnel and has interacted with each of the national consultants in their respective areas. The M&E framework will be developed into a project M&E system using

the services of a system development specialist to facilitate standard data entry and reporting under the Project.

## **H. Environmental and Social Safeguards**

51. As the Project works largely in environmental and social sensitive areas, ADB safeguards should be strictly adhered to. The social development specialist and environmental specialist are expected to be fielded in October 2009 to work on improving social and environmental requirements of research and extension activities. The Mission recommends that the other consultants in the Project familiarize themselves with ADB's policies on related areas and suggests that the consultants and the CPMU staff visit ADB's website to download such documents for use in the implementation of the Project. Where documents are available in Vietnamese, such as the Project's gender action plan, as agreed between the Socialist Republic of Viet Nam and ADB, the CPMU is to make the documents available to all PPMU and IPMU staff.

52. Under the Loan Agreement, the extension contracts to be funded under the Project shall have provisions that at least 40% of beneficiaries of these services are women, and that contracts to be awarded in the final year of project implementation shall have provisions that at least 50% of beneficiaries are women. The Project shall also ensure that activities are to be implemented with specific actions for indigenous peoples properly reflected in the provincial plans for agricultural extension developed under the Project. All extension contracts to be funded under the Project shall give special consideration to the participation and practices of the ethnic minority population. Civil works to be financed under the Project should not require resettlement or land acquisition, as defined in ADB's Policy on Involuntary Resettlement. Environmental impact assessments under relevant categories will be carried out during the design phase of all civil works, and environmental monitoring for the Project will be effectively implemented.

53. Discussions with IPMUs, PPMU along with field visit to research and extension projects during the Mission found level of awareness on new issues in agriculture could be significantly improved. In particular, research and extension projects are rather top-down in its design and implementation, focusing mainly on increasing productivity with limited consideration on social, economic, and environmental implications. An extension project visited in Ninh Thuan Province was introducing monocropping of hybrid corn using high-external inputs to indigenous farmers who have no access to credit. Another project provided cow to poor farmers and trained low or illiterate farmers using highly technical extension materials. Women, who carried out the bulk of the works, were not targeted under the training programs. Baseline information was also not available for review. For both projects, sustainability beyond project period is questionable. The Mission recommends that where relevant and appropriate, training be conducted for project personnel including service providers:

- (i) Gender mainstreaming
- (ii) Participatory method of research and extension
- (iii) Social and environmental safeguards, including biodiversity
- (iv) Holistic approach to empowering poor farming households
- (v) Working with indigenous people
- (vi) Agri-food product certification system and contract farming of green products
- (vii) Production of pro-poor extension materials
- (viii) Agriculture and climate change
- (ix) Baseline and M&E system

## I. Compliance with Loan Covenants

54. The Mission finds the loan covenants to be generally complied with. Insufficient counterpart funds from two PPMU are being addressed by MARD. Weaknesses on gender, environment, and social safeguards are being rectified. Project Steering Committee is to meet twice a year, independent of other project activities i.e., wrap-up meeting of ADB Mission, to effectively guide and resolve issues on the Project. An updated schedule of covenants is given in Appendix 10.

## IV. FOLLOW UP ACTIVITIES

55. A table of agreed follow-up actions indicating responsibility and timeframe is shown below.

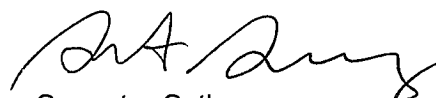
### Summary of Major Issues and Agreed Action Plan

No.	Issue	Agreed Action	Timeframe	Responsibility
<b>COMPONENT 1</b>				
1	Limited orientation of research programs toward market linkages for the poor, food safety, and reconciling agriculture with environment. Weakness of some research proposals in being able to produce short-term results at a relatively low cost and be extended to poor farmers	DSTE and consultants to work with researchers to refine project design and modify project contract, if necessary.	4Q 2009-1Q 2010	DSTE and CPMU
2	Implementation of M&E system for research and extension project	Training workshops on M&E system developed by the Project.	4Q 2009	CPMU in collaboration with DSTE and NAFEC
<b>COMPONENT 2</b>				
3	Extension projects to improve on: (i) social, economic, and environmental assessment; (ii) pro-poor extension materials; (iii) gender focus; and (iv) baseline and monitoring system.	NAFEC and consultants to work with PPMU, provincial extension staff, and service providers to address these issues	4Q 2009	NAFEC and CPMU
4	Lack of service providers submitting bids in mountainous provinces	Explore the possibilities of engaging international NGOs such as ADDA or SNV who have strong mandates on working with the poor to train potential service providers i.e. local universities, research institutes, and other local partners to submit a bid to PPMUs.	4Q 2009	CPMU and PPMUs
<b>COMPONENT 3</b>				
5	Weak linkages between schools and the private sector (i.e., agro-industries) and limited awareness on new emerging issues relate to agriculture and climate change	Strengthening collaboration with trade and agro-industry associations be done to ensure that training activities address the needs of the rapidly changing	2009-2010	CPMU/IPMUs

No.	Issue	Agreed Action	Timeframe	Responsibility
		environment of the food industry. Curriculum development to include climate change mitigation and adaptation in agriculture		
	<b>PROJECT MANAGEMENT</b>			
6	Financial management	Withdrawal applications need to be submitted more frequently with complete supporting documents.	4Q 2009	CPMU/ADB
7	Adequacy of counterpart funding from all PPMU for 2009 and 2010	MARD assures the availability of counterpart funding at the central level. MARD will also facilitate timely availability of counterpart funds from the People's Committee in the five participating provinces. Counterpart fund issues in two Ninh Tuan and Quang Nam are to be resolved immediately	4Q 2009	CPMU/MARD/DOF
8	Compliance to all loan covenants are to be regularly reviewed and addressed	A number of loan covenants are to be rectified (per para. 54) as soon as possible		
9	CPMU and Consultant Coordination; replacement and fielding of consultants.	ADB has approved replacement of consultant and CPMU is to process their engagements. Update on consultant utilization plan, including engagement of translators.	October 09	CPMU/VICA
10	Project reporting and preparation for mid-term review in 2010	Quarterly progress report with comprehensive information to be submitted to ADB on time. Preparation for field visit of review mission is to be improved.	Oct09-March 2010	CPMU

## V. ACKNOWLEDGEMENTS

56. The Mission would like to thank MARD especially the following agencies: APMB, CPMU and the Consultants, DOP, DSTE, NAFEC, the Institute of Agricultural Science of Southern Viet Nam, Secondary Technical School for Food Processing, Agricultural and Rural Development Secondary Technical School, Southern Fruit Research Institute, and the provincial project management unit (PPMU) in Ninh Thuan for their help and cooperation during the Mission's visit. The next loan review mission, which will be the mid-term review, is tentatively scheduled for March or April 2010.



Sununtar Setboonsarng  
Hanoi, Viet Nam  
8 October 2009

## APPENDIX 1: LIST OF PERSONS MET

### 1. NAFEC:

Mr Phung Quoc Quang, Deputy Director of NAFEC  
Mr Nguyễn Văn Chung, NAFEC's staff

### 2. CPMU & Consultants:

#### *2.1 CPMU*

Nguyễn Thế Hình – Director  
Lê Thị Nhung – Deputy Director of CPMU  
Nguyễn Văn Hiền – Training Consultant  
Hà Thị Thu – Chief Accountant  
Duong Thị Diễm Hằng - Accountant  
Nguyễn Văn Chiến – Coordination Consultant  
Vũ Tiến Dũng – Head of Technical Division  
Nguyễn Văn Quyết – Head of Administrative Division  
Nguyễn Ngọc Lâu – Technical staff  
Trịnh Thị Thúy Hồi – Technical staff  
Nguyễn Thị Minh Hương – Planning staff  
Vũ Việt Hà - countant staff  
Vũ Hồng Hải - Translator

#### *2.2 Consultants*

Michael Blyth – Team Leader, International Research Management Consultant  
Nguyễn Thị Lan – Deputy Team Leader, Domestic Research Management Consultant  
Vương Thanh Hương – Vocational Training Domestic Consultant  
Đình Công Luận – Domestic Financial Management Consultant

### 3. APMB:

Nguyễn Hữu Khương – Director of APMB

### 4. DSTE:

Triệu Văn Hùng – Derector of DSTE  
Trần Thị Đình – Staff

### 5. DOP:

Phạm Hùng – Deputy Derector of DOP  
Phùng Hữu Cần – Staff  
Ha Thúy Hạnh – Deputy of head training Division

### 6. Institute of Agriculture South:

Đình Văn Cái – Deputy Derector  
Trần Văn Tường – Staff of IPMU  
Ngô Quang Vinh – Lead of extention Division  
Đỗ Khắc Thịnh – Leader reseach perposes  
Trương Quốc Ánh – Leader reseach perposes  
Trần Kim Định - Leader reseach perposes

### 7. Food Processing secondary school Ho Chi Minh:

Doanh Thiệu Hiếu – Director of secondary school  
Trần Công Thành – Deputy Derector of secondary school, Director of IPMB  
Huỳnh Ngọc Hùng– Head of personal Division  
Hoàng Xuân Chính – Head of the Training Division

Nguyễn Tấn Chiêu – Deputy base scientis Division  
Nguyễn Thị Phương - coordinator

**8. Institute of fruit South:**

Nguyễn Văn Hoài – Deputy Derector  
Võ Hữu Thoại – Lead of Scientis and Coordinator  
Đoàn Hữu Tiến - Leader reseach perposes  
Nguyễn Tiến Dũng – Leader of Long Hòa Villige, Bình Đại District  
Nguyễn Ngọc Ánh – extention of Long Hòa  
Trần Văn Nhỡ - Chairment of Farmer Long Hòa  
Phạm Vũ Thanh - Farmer and wife  
Phamj Minh Luân – Farmer

**9. Agiculture South colled:**

Vũ Thị Xuyên - Derector  
Trần Chí Thành – Deputy Derector  
Duong Văn Thọ – Lead of counter Division  
Trịnh Bá Biễn - Leader of Coordinator and management equipments Division

**10. Ninh Thuận PPMU:**

Luu Khoan – Deputy Derector of DARD, Derector PPMU  
Nguyễn Phương Nghị - Coordinator  
Nguyễn Văn Hiếu - Staff  
Trần Ngọc Niên – Extension provider service  
Lương Văn Sang - Extension provider service for liverstock  
Hán Văn Chấn - Derector of Information and scientis, techologi centre  
Trần Văn Khang - Oficer of DARD  
Lương Phúc Trình - Oficer of DARD  
Đạo Văn Hải – Extension Bắc Sơn Villige  
Kato Bé and wife Phạm Thị Đức - Famer Láng Mi - Bắc Sơn Villige  
Mang Thị Bơ - Famer Bình Nghĩa - Bắc Sơn Villige  
Chamale Phán – Famer Phước Trung Villige

**11. VASS Institute:**

Prof. Dr. Nguyen Van Bo, Director General of VAAS  
Prof. Dr. Nguyen Van Chuong, Director of ASINCV institute  
Prof. Dr. Nguyen Tu Siem, M&E consultant  
Dr Bui Thi Hop, Deputy Head of Science Division  
Mr Nguyen Hoang Long, Deputy Head of Information Division

**12. Safe production and BIOGAS project**

Phạm Quang Toàn – Director



**13. ADB Viet Nam Resident Mission**

Ayumi Konishi-Country Director  
Hong An-VRM staff



### APPENDIX 3: REVISED PROJECT IMPLEMENTATION SCHEDULE

Item	2007				2008				2009				2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>A. Client-oriented Agricultural Research and Capacity Strengthening</b>																				
Client-oriented agricultural research programs																				
- Identification of research needs																				
- Procurement of needed materials and equipment																				
- Use of research funds for selected programs																				
Training and post-graduate programs																				
- Preparation of programs																				
- Application and selection																				
- Program implementation																				
Upgrading of equipment																				
- Equipment specification and tendering																				
- Procurement and installation																				
- Training for equipment use and maintenance																				
<b>B. Grassroots Agricultural Extension Improvement</b>																				
Provincial plans for pro-poor agricultural extension services																				
Training programs for trainers, extension staff, and grassroots service providers																				
- Extension module development																				
- Preparation of programs																				
- Application and selection																				
- Program implementation																				
Provision of on-farm demonstration trials																				
Contractual agricultural extension services																				
- Establishment of a contractual management system																				
- Extension contracts																				
Capacity strengthening of local extension centers																				
- Equipment specification and tendering																				
- Procurement and installation																				
<b>C. Rural-based Technical and Vocational Training</b>																				
Training programs for teaching and administrative staff																				
- Preparation of programs																				
- Application and selection																				
- Program implementation																				
- Support for developing curriculum guides																				
Upgrading of library and laboratory facilities																				
- Equipment specification and tendering																				
- Procurement and installation																				
- Training for equipment use and maintenance																				
<b>D. Project Management Support</b>																				
Establishment of provincial project management units																				
Recruitment of implementation consultants																				
Procurement of vehicles and equipment																				
Appointment of incremental project staff																				
Establishment of a project steering committee																				
Monitoring of project activities																				
Financial auditing																				
Quarterly progress reporting																				
Midterm review																				
Project completion review																				

 Timing of project activities.  
 Intermittent or continuous activities.



**APPENDIX 4: PROCUREMENT OF CIVIL WORKS, GOODS, AND SERVICES**  
(\$ '000)

<b>Component</b>	<b>Appraisal Estimates</b>	<b>Procured to date</b>	<b>Percentage Achieved (%)</b>
1 Client-Oriented Agricultural Research and Capacity Strengthening			
Civil Works	53		0.00
Equipment	3,380		0.00
Materials	1,811		0.00
Training	4,994	363	7.27
Research and Extension Contracts	5,500	29	0.53
2 Grassroots Agricultural Extension Improvement			
Equipment	221	224	101.36
Materials	142		0.00
Training	2,814	795	28.25
Research and Extension Contracts	4,582	1574	34.35
3 Rural-Based Technical and Vocational Training			
Civil Works	1,549		0.00
Equipment	6,338		0.00
Materials	843		0.00
Training	315	170	53.97
4 Project Management Support			
Equipment	151	81	53.64
Vehicles	72	21	29.17
Materials	33		0.00
Consulting Services	982	149	15.17
<b>Total</b>	<b>33,780</b>	<b>3,406</b>	<b>10.08</b>

## APPENDIX 5: STATUS OF CONSULTING SERVICES

<b>Status of Consulting Services</b>							
No.	Name	Position	Contracted (person- months)	No of utilized days	Utilized to Date (person- months)	Balance (person- months)	Remarks
<b>Implementation Consultants: Hassall and Associates in association with VICA and SDS</b>							
1	Dr. Michael BLYTH	Team Leader and International Agricultural Research Management Specialist	16	85	6.6	9.4	
2	David MOLES	International Agricultural Extension Management Specialist	5	28	0.9	4.1	
3	Dr. Michael THAIR	International Agricultural Vocational Training Specialist	1	4	0.1	0.9	
4	Evelyn BUENAVENTURA (Ms.)	International Social Development Specialist	2	58	1.9	0.1	Input completed
5	Geza C. TELEKI	International Environmental Assessment Specialist	2	0	0.0	2.0	
6	Myrna J. HERNANDEZ (Ms.)	International Financial Management Specialist	1	28	0.9	0.1	Input completed
7	Replacement	International M&E Specialist	2	0	0.0	2.0	Replacement being considered by MARD
8	NGUYEN Thi Lan (Ms)	Deputy Team Leader and National Agricultural Research Management Specialist	34	106	11.8	22.2	
9	Dr. NGUYEN The Con	National Agricultural Extension Management Specialist	22	101	11.5	10.5	
10	Dr.VUONG Thanh Huong	national Agricultural Vocational Training Specialist	11	45	5.4	7.6	CPMU increased input by 2 months
11	Replacement	National Social Development Specialist	6	0	0.0	6.0	Replacement being considered by MARD
12	Replacement	National Environmental Assessment Specialist	11	0	0.0	7.0	Replacement being considered by MARD; CPMU reduced input by 4 months
13	DINH Cong Luan (Mr.)	National Financial Management Specialist	6	38.5	3.3	2.7	
14	Dr. NGUYEN Tu Siem	Monitoring and Evaluation Specialist	4	63	3.7	2.3	CPMU added another 2 months for M&E system development
<b>CPMU</b>							
	1 Nguyen Van Chien (Mr)	Contract Awards Specialist	24	150	10.0	14.0	
	2 Nguyen Van Hien (Mr)	Training Specialist	12	330	16.0	-4.0	
<b>PPMU</b>							
<b>Dac Nong</b>							
	1 Nguyen Dung Tien	Provincial Agricultural Extension Specialist	24		4.0	20	
<b>Nghe An</b>							
	1 Nguyen dinh Nhu	Provincial Agricultural Extension Specialist	24		11.0	13	
<b>Ninh Thuan</b>							
	1 Nguyen Phuong Nghj	Provincial Agricultural Extension Specialist	24		10.0	14	
<b>Quang Nam</b>							
	1 Ngo Van Dong	Provincial Agricultural Extension Specialist	24		12.0	12	
<b>Thanh Hoa</b>							
	1 Tran Van Cuong	Provincial Agricultural Extension Specialist	24		12.0	12	
<b>Total</b>			<b>279</b>		<b>121.23</b>	<b>157.77</b>	

## APPENDIX 6: SUMMARY OF PROJECT REPORTS AND PUBLICATIONS

### Summary of Project Reports prepared by AST Project Consultants September 2008 to October 2009

No.	Document Title	Component	Date submitted to CPMU/ADB	Total Pages	Language (E=English, V=Vietnamese)	Current Status of report
1	Stock-take report for ADB October 2008 Loan Review Mission	All	25-Oct-08		E	Input to ADB Aide Memoire and Inception report
2	Inception Report	All	6-Nov-08;	108	E	Final
3	October Consultant's Report	All	10-Nov-08	21	E,V	Final
4	November Consultant's Report	All	8-Dec-08	15	E,V	Final
5	December Consultant's Report	All	27-Feb-09	11	E,V	Final
6	January Consultant's Report	All	27-Feb-09	12	E,V	Final
7	International Social Development Specialist's Report	Social Dev	23-Dec-08	56	E	Awaiting CPMU feedback
8	International Social Development Specialist's Report	Social Dev	25-Feb-09	58	V	Awaiting CPMU feedback
9	Agricultural Extension Management Specialist's Report	2	16-Nov-08	44	E	Awaiting CPMU feedback - seminar held on 18-Nov-08 with CPMU
10	Agricultural Extension Management Specialist's Report	2	25-Feb-09	43	V	Awaiting feedback
11	International Vocational Training Specialist's Report	3	25-Dec-08		E	Awaiting feedback
12	Financial Management Consultants' Report	Fin Mngt	24-Dec-08			CPMU have responded positively to 3 of the 4 recommendations of the Consultants
13	Consultant's Quarterly Report, October-December 2008	All			E	in preparation
14	Project M&E tables	M&E	27-Feb-09	70	V	Tables prepared for three components and for major PMUs - Provinces, Research Institutes, Schools and CPMU
15	On-the-job training program	1	16-Nov-08	7 plus attachments	E	Comments on draft program provided to VAAS and CPMU Deputy Director
16	Monitoring and Evaluation Mechanism for Client-Oriented Research Proposals	1	13-Jan-09	6	V	Draft
17	Implementation, monitoring guidelines and report preparation for scientific research	1	13-Jan-09	13	V	Draft
18	Training materials for local knowledge survey	2		20	V	Draft in preparation
19	Participatory Agricultural Extension Methodologies	2		45	V	Draft in preparation
20	Three Quarterly Reports of Project Progress for 2008	4				Final
21	Annual Progress Report for 2007	4				Final
22	Annual Progress Report for 2008	4				Final
23	1st Quarter Progress Report for 2009	4				Final
	Semi-annual Progress Report for 2009	4				Final

## APPENDIX 7: SUMMARY OF PROJECT EXPENDITURES

(\$ million)

Table A4.1: Project Expenditures to Date

As of 30 September 2009

Categories	Total Project Budget			2007			2008		
	ADB	Government	Total	ADB	Government	Total	ADB	Government	Total
	2009*								
<b>A Investment Costs</b>									
Civil work	1,201	401	1,602						
Equipment	7,609	2,481	10,090				230	77	306
Vehicles	36	36	72				21	21	42
Materials	2,122	707	2,829						
Training	6,352	1,771	8,123				908	256	1,164
Research and Extension Contracts	7,894	2,188	10,082				1,274	359	1,633
Consulting services	982		982				9		9
<b>B Recurrent Costs</b>									
Incremental Staff Salaries	0	1,157	1,157		1	1		117	117
Other Operating Costs	663	221	884	5	2	3	132	44	176
<b>Total</b>	<b>26,859</b>	<b>8,962</b>	<b>35,821</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>2,574</b>	<b>874</b>	<b>3,447</b>
				Total to Date			Balance Remaining**		
<b>A Investment Costs</b>									
Civil work				0	0	0	1,201	401	1,602
Equipment	336	112	448	566	189	754	7,043	2,292	9,336
Vehicles				21	21	42	15	15	30
Materials							2,122	707	2,829
Training	470	132	602	1,378	388	1,766	4,974	1,383	6,357
Research and Extension Contracts	1,029	290	1,319	2,303	649	2,952	5,591	1,539	7,130
Consulting services	301		301	310	0	310	672	0	672
<b>B Recurrent Costs</b>									
Incremental Staff Salaries				0	162	162	0	995	995
Other Operating Costs	101	34	134	238	80	313	426	142	571
<b>Total</b>	<b>2,236</b>	<b>612</b>	<b>2,848</b>	<b>4,810</b>	<b>1,486</b>	<b>6,295</b>	<b>22,044</b>	<b>7,473</b>	<b>29,522</b>

Notes:

<sup>1</sup> As of 3 September 2009.<sup>2</sup> Based on exchange rate of D16,050/US\$ at Project approval.

## APPENDIX 8: Estimated Expenditures for 2009

#	Contents	QI		QII		QIII		QIV	
		GOV	ADB	GOV	ADB	GOV	ADB	GOV	ADB
	<b>Total</b>	171,353	514,059	671,294	2,013,882	1,679,868	5,039,603	1,778,471	5,335,412
<b>I</b>	<b>Component 1</b>	23,529	70,588	326,471	979,412	711,471	2,134,412	805,294	2,415,882
<i>I</i>	<i>Sub-component 1.1</i>	14,706	44,118	157,353	472,059	62,941	188,824	103,824	311,471
	Research topics: Advance 50% for 58 topics in Quarter II, 20% in QIII and 30% in QIV(Decision No 152/QĐ-BNN-KHCN dated 16 Jan2009)	-	-	157,353	472,059	62,941	188,824	94,412	283,235
	Development of library networks for Research Institutes	-	-	-	-	-	-	9,412	28,235
	Equipment for Research Institutes (already paid)	14,706	44,118	-	-	-	-	-	-
<b>2</b>	<b>Sub-component 1.2 Training of Research Staff</b>	8,824	26,471	70,588	211,765	30,882	92,647	38,235	114,706
	Scoloships for foreign students	8,824	26,471	8,824	26,471	8,824	26,471	8,824	26,471
	Tuitions for overseas-training students	-	-	29,412	88,235	-	-	29,412	88,235
	Domestic Training (in cooperation with VASS, 23 training courses, detailed cost estimates)	-	-	29,412	88,235	22,059	66,176	-	-
	Workshops for overseas training students	-	-	2,941	8,824	-	-	-	-
<b>3</b>	<b>Sub-component 1.3 Upgrading facilities for 10 Institutes (General Procurement Plan was approved for each institute, implementation in progress)</b>	-	-	98,529	295,588	617,647	1,852,941	663,235	1,989,706
	Cuu Long Rice Research Institute (CLRRU)	-	-	-	-	73,529	220,588	91,176	273,529
	Food Crop Research Institute	-	-	-	-	58,824	176,471	50,000	150,000
	Institute of Agricultural Science of Southern Viet Nam	-	-	-	-	44,118	132,353	52,206	156,618
	Southern Fruit Research Institute	-	-	-	-	29,412	88,235	41,176	123,529
	Northern mountainous Agriculture and forestry Science Institute	-	-	-	-	102,941	308,824	113,235	339,706
	Viet Nam Academy of Agricultural Science (formerly National Institute of Plant Protection)	-	-	-	-	44,118	132,353	46,324	138,971
	Western Highland Agro- forestry Teanology Institute	-	-	-	-	29,412	88,235	29,412	88,235
	Soil and Fertilizer Institute	-	-	-	-	73,529	220,588	82,353	247,059
	Forestry Science Institute of Viet Nam	-	-	-	-	44,118	132,353	55,882	167,647
	Institute of Policy and Strategy for Agriculture and Rural Development	-	-	-	-	117,647	352,941	101,471	304,412
	Research Institute of Agricultural Environment (01 bidding packages implemented at central level)	-	-	98,529	295,588	-	-	-	-

#	Contents	QI		QII		QIII		QIV	
		GOV	ADB	GOV	ADB	GOV	ADB	GOV	ADB
II	Component II	171,553	511,059	671,294	2,013,832	1,599,868	5,039,603	1,778,471	5,335,412
1	<b>Thanh Hoa PPMU</b> Payments under equipment contracts for the rest of 10 extension stations (Contract No 08-2009 HDMB dated 14 Feb 2009)	8,559	25,676	63,294	189,882	9,691	29,074	25,956	77,868
	Training, studying visits of local knowledges (Total 45 training courses carried out in Q II và QIV under the Cost Estimate approved on 22 Dec 2008)	8,559	25,676	-	-	-	-	-	-
	Extension Contracts: Year 2008: 22 contracts signed with total value of 2,645 Million VND, of which the remained outstanding 40% of contract price to be paid in QII/09, Year 2009: 29 contracts will be awarded with estimated amount of 4,078 Mill VND.	-	-	11,750	35,250	9,691	29,074	1,985	5,956
2	<b>Nghe An PPMU</b> Training, studying visits of local knowledges (Total 155 training courses carried out in QIV)	19,882	59,647	69,441	208,324	25,618	76,853	40,853	122,559
	Extension Contracts: Year 2008: 19 contracts signed with total value of 2,162 Million VND, of which 60% of contract price to be paid in QI/09 and 40% to be paid in QIII Year 2009: 43 contracts will be awarded with estimated amount of 6,097 Mill VND, advance 60%.	809	2,426	15,647	46,941	12,897	38,691	5,000	15,000
3	<b>Quang Nam PPMU</b> Training, studying visits of local knowledges (Total 82 training courses carried out in QIV)	19,074	57,221	53,794	161,382	12,721	38,162	35,853	107,559
	Extension Contracts: Year 2008: 4 contracts signed with total value of 588 Million VND, of which 60% of contract price to be paid in QII/09 Year 2009: 40 contracts will be awarded with estimated amount of 6,000 Mill VND, advance 60% in QII/09, 40% will be paid in QIV	1,176	3,529	66,103	198,309	13,691	41,074	41,750	125,250
4	<b>Đak Nong PPMU</b> Training, studying visits of local knowledges (Total 66 training courses carried out in Q4 quarters)	897	2,691	51,838	155,515	-	-	29,412	88,235
	Extension Contracts: Year 2009: 19 contracts will be awarded with estimated amount of 3,040 Mill VND, advance 60% in QII/09, 40% will be paid in QIV	897	2,691	6,941	20,824	34,426	103,279	23,750	71,250
5	<b>Ninh Thuan PPMU</b> Training, studying visits of local knowledges (Total 95 training courses carried out in Q II under the Cost Estimate approved on 22 Dec 2008)	25,544	76,632	21,912	65,735	33,500	100,500	24,029	72,088
	Extension Contracts: Year 2008: 19 contracts signed with total value of 2,760 Million VND, of which 60% of contract price to be paid in QI/09, the rest of 40% to be paid in QIII, 09; Year 2009: 10 contracts will be awarded with estimated amount of 1,600 Mill VND, advance 60% in QII/09, 40% will be paid in QIV	1,191	3,574	7,794	23,382	17,265	51,794	14,618	43,853
		24,353	73,059	14,118	42,353	16,235	48,706	9,412	28,235

#	Contents	QI		QII		QIII		QIV	
		GOV	ADB	GOV	ADB	GOV	ADB	GOV	ADB
	Total	1,713,353	514,059	671,294	2,013,882	1,679,868	5,039,603	1,778,471	5,335,412
III	Component III	73,529	220,588	14,412	43,235	780,882	2,342,647	728,603	2,185,809
I	<i>Sub-component 3.1 Strengthen management and teaching capability and improve curriculum (Based on Decision 3948/QĐ-BNN-TCCB) dated 10 Dec 2008 subject approval on Program of Strengthening management and teaching capability and improve curriculum</i>	73,529	220,588	14,412	43,235	30,882	92,647	7,353	22,059
	Workshop on Needs of Capacity Building and Professional Enhancing for Teachers at 10 Project Schools (MARD issued Letter No 1409 dated 6 March 2009 to schools to propose the training courses	-	-	2,353	7,059	-	-	-	-
	Training Courses on Capacity Building and Professional Enhancing for Teachers (expected 5 courses on informatics skills, teaching skills for technical teachers etc.)	-	-	7,353	22,059	7,353	22,059	7,353	22,059
	Workshop on Improvement of Cooperation between Schools and Production Entities	-	-	4,706	14,118	-	-	-	-
	Establishment of e-library network for 10 project schools (bidding process completed, contract will come an end and terminated in QIII,09 under the Contract No. 12/2008/HDKT-TV with Timh Van Company)	-	-	-	-	9,412	28,235	-	-
	Establishment of an Software managing students for 10 project schools (MARD issued a Decision for implementation in 2009, cooperated with VOTECH for implementation)	-	-	-	-	9,412	28,235	-	-
	Advances to 10 project schools for improvements of curriculum	73,529	220,588	-	-	-	-	-	-
	Training courses on Curriculum Development Skills	-	-	-	-	4,706	14,118	-	-
2	<b>Sub-component 3.2: Improving technical infrastructure, equipment and curriculum</b>	-	-	-	-	750,000	2,250,000	721,250	2,163,750
2.1	Da Nang Food College	-	-	-	-	117,647	352,941	110,294	330,882
2.2	Bao Loc Secondary technical and Vocational School	-	-	-	-	102,941	308,824	122,059	366,176
2.3	Northern Secondary technical, Vocational and Rural Development School	-	-	-	-	102,941	308,824	92,676	278,029
2.4	Southern Agriculture and Rural Development Vocational School	-	-	-	-	88,235	264,706	100,000	300,000
2.5	Southern Vocational School for Agriculture and Rural Development	-	-	-	-	88,235	264,706	95,588	286,765
2.6	Haiphong Secondary technical School for Food and foodstuff Management	-	-	-	-	44,118	132,353	36,765	110,294
2.7	Ho Chi Minh city Secondary Technical School for Food Processing	-	-	-	-	44,118	132,353	44,118	132,353
2.8	Hanoi Agricultural Materials and Food Secondary Technical School	-	-	-	-	44,118	132,353	33,838	101,515
2.9	Northern Water resources Vocational School	-	-	-	-	58,824	176,471	43,265	129,794
2.10	Water Resources Secondary Technical and Vocational School No. 2 (Quang Nam Province)	-	-	-	-	58,824	176,471	42,647	127,941

#	Contents	QI		QII		QIII		QIV	
		GOV	ADB	GOV	ADB	GOV	ADB	GOV	ADB
		1774,353	544,050	671,294	2,013,132	1,670,368	5,092,603	1,773,471	5,335,412
IV	General Management	18,235	54,706	102,721	308,162	70,588	211,765	88,235	264,706
1	Media Communication Program on National Extension Thanh toán kinh phí điều tra nâng lực Truyền thông KN của NAFEC (Đã Toàn 500trđ năm 2008, còn 300trđ vào năm 2009 )	16,176	48,529	17,647	52,941	-	-	17,647	52,941
	Other activities in cooperations with the media (paid 50 %)	4,412	13,235	-	-	-	-	-	-
	Equipment for 5 PPMUs (paid)	-	-	17,647	52,941	-	-	17,647	52,941
	Equipment for 5 PPMUs (paid)	11,765	35,294	-	-	-	-	-	-
2	Project Management	2,059	6,176	85,074	255,221	70,588	211,765	70,588	211,765
	Payments to International Consultants	-	-	70,588	211,765	70,588	211,765	70,588	211,765
	Project Auditing Services	-	-	5,000	15,000	-	-	-	-
	Recurrent expenditures	809	2,426	2,426	7,279	-	-	-	-
	Training Courses, workshops (Accounting, M&E, Procurement of Goods, Year- end Meeting of 2009)	1,250	3,750	7,059	21,176	-	-	-	-



**Appendix 9**  
**Loan 2283-VIE: Agriculture Science and Technology Project**  
**Status of Loan Utilization (US\$)**  
**as of 30 September 2009**

Cat. No.	Category	Allocation		Contracts	Disbursements	Uncommitted Loan Balance	Undisbursed Loan Balance
		SDR	USD Equiv				
01	Civil Works	809,000	1,280,817	0	0	1,280,817	1,280,817
02	Equipment	5,123,000	8,095,966	479,894	477,985	7,616,072	7,617,981
03	Vehicles	24,000	37,344	20,081	20,081	17,263	17,263
04	Materials	1,429,000	2,262,407	0	0	2,262,407	2,262,407
05	Training	4,276,000	6,745,212	513,294	513,294	6,231,918	6,231,918
06	Research/Extension Contracts	5,315,000	8,359,185	1,041,561	1,041,561	7,317,624	7,317,624
07	Consulting Services	661,000	1,035,459	1,062,397	220,250	(26,938)	815,209
08	Incremental Operating Costs	446,000	698,067	207,957	207,957	490,110	490,110
09	Interest Charge	415,000	656,584	0	24,868	656,584	631,716
10	Unallocated	1,700,000	2,691,457	0	0	2,691,457	2,691,457
99	Imprest Account	0	-144,046	0	3,000,000	-144,046	-3,144,046
	<b>Total</b>	<b>20,198,000</b>	<b>31,718,452</b>	<b>3,325,184</b>	<b>5,505,996</b>	<b>28,393,268</b>	<b>26,212,456</b>

**APPENDIX 10: COMPLIANCE WITH LOAN COVENANTS**  
(As of 8 October 2009)

Reference in LA	Covenant	Responsibility	Status of Compliance
Sec 4.02 (a)	The Borrower shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to the Asian Development Bank (ADB); (iii) furnish to ADB, as soon as available but in any event not later than 6 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement as well as on the use of the procedures for imprest account/statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.	Central Project Management Unit (CPMU), Provincial Project Management Units (PPMU), and Institute Project Management Units (IPMU)	Being complied with.  Separate accounts are being maintained for the Project. Since 2007 disbursements were minimal, ADB approved to combine auditing of the 2007 and 2008. The audited project accounts were submitted to ADB on 20 July 2009.
Sec 4.02 (b)	The Borrower shall enable ADB, upon ADB's request, to discuss the Borrower's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Borrower pursuant to Section 4.02(a), and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Borrower unless the Borrower shall otherwise agree.	CPMU, PPMUs, and IPMUs	Being complied with.
Sec 4.03	The Borrower shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the Loan, and any relevant records and documents.	CPMU, PPMUs, and IPMUs	Being complied with.
Sched. 4, para. 7 (a)	The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.	CPMU, PPMUs, and IPMUs	Being complied with.
Sched. 4, para. 7 (b)	The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if	CPMU, PPMUs, and IPMUs	Being complied with.

Reference in LA	Covenant	Responsibility	Status of Compliance
	appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph 7 (a) of Schedule 4.		
Sched. 4, para. 8	The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.	CPMU	Being complied with.
Sched. 5, para. 3	The Central Project Management Unit (CPMU), headed by a Project Director, shall be established in the Agricultural Project Management Board under MARD, and comprise a Deputy Director, a planning officer, a finance and accounting officer, a monitoring and evaluation officer, and other necessary supporting staff on a full-time basis. The CPMU shall be responsible for day-to-day Project implementation; interdepartmental coordination among MARD's concerned departments; central-level procurement, consultant recruitment, and fund disbursement; and provision of support to the Provincial Project Management Units (PPMUs).	MARD	Being complied with. The CPMU within MARD's Agricultural Projects Management Board was established on 9 March 2006. CPMU is closely monitoring project's implementation and progress. MARD issued Decision 455/QD-BNN dated 1 Feb 2008 on decentralization and assignments of AST's implementation.
Sched. 5, para. 4	The PPMU, headed by a PPMU manager, shall be established under the provincial department of agriculture and rural development in each of the Project provinces, and comprise a planning officer, a monitoring and evaluation officer, an accountant, and other necessary supporting staff. The PPMU shall be responsible for (i) overall management and supervision of Project activities related to agricultural extension in the concerned province, including contractual arrangements for service delivery, finance and project accounting, procurement, monitoring and evaluation, and reporting, and (ii) provincial-level coordination among the relevant provincial departments. Each of the PPMUs shall have a meeting with the CPMU at least once every other month. Project implementation units may be established under participating research institutes, and technical and vocational training schools, if required and deemed appropriate, to facilitate the Borrower's decentralization policy for project implementation and management.	MARD, Provincial People's Committees (PPC)	Complied.  Five PPMUs have been established in April-May 2007. PPMU comprises a director, an accountant, and a coordinator.  IPMUs have been established comprising 10 research institutes and 10 agricultural colleges and vocational schools.
Sched. 5, para. 2	The Project Steering Committee (PSC), headed by a Vice Minister of MARD, shall be established and comprise representatives of concerned departments of MARD, the Ministry of Planning and Investment, the Ministry of Finance, the State Bank of Vietnam, the Ministry of Science	MARD, MPI, MOF, SBV, MOST, and PPMUs	Being complied with.  The PSC was established on 4 June 2007.

Reference in LA	Covenant	Responsibility	Status of Compliance
	and Technology, the Ministry of Education and Training, and the Project provinces. The PSC shall be responsible for interministerial coordination and provision of overall policy guidance to the Project and shall endorse the Project annual work plans and budget. Representatives of farmers' associations and other Project's stakeholders shall participate in the PSC meetings as required.		The PSC will meet on a semi-annual basis, organized independently from ADB's meetings, as advised by October 2009 Mission.
Sched. 5, para. 5	The Borrower shall ensure that adequate counterpart staff and funds will be provided for operation and maintenance of the Project facilities upgraded in the selected agriculture research institutes, and further ensure that such institutes will provide adequate staff and funds for operation and maintenance after their transformation into self-financed organizations in accordance with the Borrower's Decree No. 115, issued in 2005.	SBV	Being complied with.  The counterpart funds are generally sufficient except for 2 poor provinces.  MARD has sent official letters to the Provincial People's Committee of Quang Nam and Ninh Thuan to suggest solutions for timely release of counterpart funds. The Mission requested that CPMU follow up closely with PPCs to resolve the counterpart funds issue in these two provinces. The Mission was assured by MARD that counterpart funds for 2010 for CPMU and IPMUs will be sufficient.
Sched. 5, para. 6	MARD shall establish a committee, represented by the Science and Technology Council of MARD, other relevant government agencies, universities, private sector organizations and agro-industries, to examine and select research proposals to be funded under the Project on a competitive basis.	MARD	Complied.  An eleven-member committee was established on 2 May 2008.
Sched. 5, para. 7	The Borrower shall ensure that the following criteria will be applied for selecting such research proposals: (i) appropriateness to the client needs in the region through the results of participatory rural assessments; (ii) relevance to the national sector goals, strategies, and priorities; (iii) technical and financial viability and sustainability; (iv) linkage with agricultural extension and effective mechanisms for participatory	MARD	Being complied with.  Selection criteria are followed. Weaknesses on (ii), (iii) and (v) during implementation are being addressed.

Reference in LA	Covenant	Responsibility	Status of Compliance
	<p>technology development and information dissemination;</p> <p>(v) compliance with social and environmental requirements;</p> <p>(vi) involving at least one provincial agricultural extension center or extension advisory council; and</p> <p>(vii) not more than \$100,000 for each research proposal.</p>		
Sched. 5, para. 8	The Borrower shall ensure that overseas study programs to be funded under the Project will be carried out in a manner acceptable to ADB. In particular, the Borrower shall ensure that appropriate arrangements are developed so that the trainees participating in the overseas study programs will provide relevant services after returning from the programs. Such arrangements shall be developed in consultation with ADB prior to the implementation of the study programs. The selection of the trainees shall be subject to ADB's approval.	CPMU	Being complied with.
Sched. 5, para. 9	The Borrower shall ensure that at least 10% of the trainees are women.	CPMU	Being complied with.
Sched. 5, para. 10	The Borrower shall ensure that demonstration trials and extension services under the Project will be implemented in poor communes where at least 30% of households are classified as poor households, as defined by the Borrower's appropriate laws and regulations.	CPMU, and PPMUs	Being complied with.  All communes participating AST are of at least 30% poor households
Sched. 5, para. 11	<p>The Borrower shall ensure that the following criteria will be applied for the extension contracts financed under Component 2.2 as described in paragraph 2 of Schedule 1 to the Loan Agreement:</p> <p>(i) Extension contracts are in line with the provincial plan for agricultural extension in the respective province;</p> <p>(ii) they focus on the priority subjects included in the plan for improved knowledge and technology related to crop and livestock production and marketing; and</p> <p>(iii) each of the extension contracts shall cost up to the maximum of \$10,000.</p>	CPMU, and PPMUs	Being complied with.
Sched. 5, para. 12	The Borrower shall ensure that Project activities will be implemented in line with the Project's gender action plan, as agreed between the Borrower and ADB. In particular, the agreed gender action plan shall be reflected in the provincial plans for agricultural extension to be developed under the Project.	CPMU, PPMUs, and IPMUs	Being complied with.  Gender issues in extension activities are being improved.
Sched. 5, para. 13	The extension contracts to be funded under the Project shall have provisions that at least 40% of	CPMU, PPMUs, and	Being complied with.

Reference in LA	Covenant	Responsibility	Status of Compliance
	beneficiaries of these services are women. The contracts to be awarded in the final year of project implementation shall have provisions that at least 50% of beneficiaries are women.	IPMUs	Training program targeting women are to be organized.
Sched. 5, para. 14	The Borrower shall ensure that Project activities will be implemented in line with the Project's specific actions for indigenous peoples, as agreed between the Borrower and ADB, and that the agreed specific actions for indigenous peoples will be reflected in the provincial plans for agricultural extension to be developed under the Project.	CPMU, and PPMUs	Being complied with.  Provincial plans of 5 PPMUs have been approved.
Sched. 5, para. 16	The Borrower shall ensure that civil works to be financed under the Project will not require resettlement or land acquisition, as defined in ADB's Policy on Involuntary Resettlement. If, due to unforeseen circumstances, such resettlement or land acquisition is unavoidable, the Borrower shall (i) prepare a resettlement plan in accordance with ADB's Policy on Involuntary Resettlement; (ii) submit it to ADB for approval prior to awarding the concerned civil works contract; and (iii) ensure that any resettlement activities will be carried out in compliance with the resettlement plan.	CPMU	Being complied with.  Civil works will be done on the existing compounds of technical and vocational training schools and will not require land acquisition.
Sched. 5, para. 17	The Borrower shall ensure that (i) environmental impact assessments under Category II, as defined under the Borrower's laws and regulations, will be carried out during the design phase of all civil works, and (ii) the environmental monitoring plan for the Project will be effectively implemented.	CPMU	Being complied with.  Environmental impact assessment for civil works are being complied with. Environmental monitoring system is yet to be implemented. Awareness on environmental issues related to climate change is to be improved.