

Aide Memoire
20-27 October 2008

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

I. BACKGROUND

1. On 20-27 October 2008 ADB fielded a Mission¹ to Vietnam for the review of Loan 2283-VIE (SF): Agriculture Science and Technology Project (The Project). The Mission met with officials of the Executing Agency (EA) - Ministry of Agriculture and Rural Development (MARD), including the International Cooperation Department (ICD), Department of Finance, Department of Science, Technology and Environment (DSTE), Department of Personnel (DOP), Agricultural Project Management Board (APMB), Central Project Management Unit (CPMU), Institute of Agriculture Environment (IAE), Viet Nam Academy of Agricultural Science (VAAS), North Vietnam College of Agriculture and Rural Development (NVCARD), and Food Crops Research Institute.
2. The goal of the Project is 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 will address critical issues involved in AST development, including the low level of linkages among the key AST areas, and the gap in the capacity of physical and human resources for the national AST system. The Project is a result of continued sector reforms relating to AST institutions of MARD under the Agriculture Sector Development Program (ASDP).² 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.
3. 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 13 June 2007 with a loan closing date of 30 June 2012. The last loan review mission was fielded on 17-26 March 2008.
4. The findings and recommendations of the Mission are reported in this Aide Memoire, and discussed at the wrap-up meeting on 27 October 2008. List of persons met during the Mission, and participants of the Wrap-Up Meeting are in [Appendix 1](#).
5. The agreements recorded in this Aide Memoire are subject to the approval of higher authorities of the Socialist Republic of Viet Nam and Asian Development Bank (ADB).

II. MISSION FINDINGS AND RECOMMENDATIONS

A. General Progress

6. Overall progress of the Project is 28% ([Appendix 2](#)) against the elapsed time of 32%. During the last review mission, it was noted that although the Project completed most of the initial requirements of the project inception and start-up phase further progress in the project was hampered by a number of factors such as weak capacity of the PPMUs and IPMUS to prepare investment plans, lack of adequate understanding of administrative and financial arrangements for the Project, and slow process of procurement and recruitment of consultants. The creation of

¹ The Mission comprised M. Ahmed (Mission Leader), C. Razon (Associate Project Analyst) from 22-27 October 2008.

² ADB. 2002. *Report and Recommendation of the President to the Board of Directors on Proposed Loans to the Socialist Republic of Viet Nam for the Agriculture Sector Development Program*. Manila. (Loans 1972/1973-VIE for program loan of \$60 million, and project loan of \$30 million).

a project implementation manual (PIM) has helped the implementing units in project administration, but slow process of procurement continues to affect progress in the Project.

B. Progress on Project Components

7. The Mission reviewed the progress under each of the components in the Project, and discussed the time-table for planning and implementation of various activities for 2008 and 2009, including the problems and issues with the CPMU, selected PPMUs and IMPUs, and concerned departments of MARD on possible solutions as discussed below. A revised implementation schedule is attached in Appendix 3, and an updated time-bound implementation action plan for 2008 and 2009 is attached in Appendix 4.

1. Client-Oriented Agricultural Research and Capacity Strengthening

a. Client-Oriented Research Programs

8. **Scope and Purpose.** The Project will promote 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 will be funded under the Project. The Department of Science Technology and Environment (DSTE) has been assigned to oversee activities under this sub-component.

9. **Progress.** An eleven member Selection Committee for guiding the selection process of research proposals, including evaluation of the research proposals to be funded on a competitive basis, was established on 2 May 2008. The operational regulations and procedures for selecting research topic proposals, prepared by DSTE and CPMU was approved by the Vice Minister of MARD on 20 June 2008. In the first batch 236 project concept proposals were received, seventy (70) proposals belonging to 23 research agencies were approved by the Vice Minister on 2 October 2008 for full proposal development which is due on 25 October 2008. The first batch of proposals is expected to be completed by 15 December 2008 with an expected contract awards of \$3.0 million. Project proposals in the second batch are due by 30 December 2008, with final decisions to be made by 25 April 2009.

10. Findings and Recommendations.

- Project selection criteria emphasizes the client orientation in the development of research proposal evaluation. The Mission recommends the DSTE to ensure that this aspect of the selection criteria is adhered to.
- The Mission noted that no feedback was provided to unsuccessful project proposal applicants. Feedback should be provided to all unsuccessful applicants in batch one.
- Research priority setting and project selection processes should be reviewed in the 10 Research Institutes and the need for training determined. Consultants should assist in monitoring and evaluation of contracted projects, and provide advice to DSTE, CPMU and researchers (those leading research projects) on defining suitable project performance indicators during finalization of the first batch selection process.
- To realize research outcomes closely with the needs of farmers, priority should be given to research proposals that can produce short-term results at a relatively low cost activities and be easily extended to users..

b. Training of Research Staff

11. **Scope and Purpose.** The subcomponent will address 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. Department of Personnel (DOP) has been assigned to oversee activities under this sub-component.

12. **Progress. Overseas Training.** Out of the 19 trainees that passed in the first round of selection in January 2008, 11 have completed admission procedures and the remaining 8 were provided with an English course before going abroad. The contract with the University of Foreign Language to teach English to the 8 trainees was awarded in June 2008. The training has been completed and trainees are to undertake their IELTS exam. Two seminars to promote the AST scholarships were organized in Hanoi and Can Tho, in association with other overseas training programs. CPMU is closely coordinating with other overseas training programs such as Program 322 of the Ministry of Education and Training (Bio-Technology Program) in order to inherit and take full advantage of good results and experiences in advanced projects. The second batch of applicants included for 1 postdoctoral program, 12 doctoral courses, and 15 masters courses. Nine trainees have gone overseas to study (5 to United States, 2 to Germany, 1 to Sweden and 1 to Australia).

13. **Local Training.** A Seminar on domestic training, with a view to improve the research capacity of project Institutes was held on 24-25 July 2008. CPMU is working with the Vietnam Academy of Agricultural Sciences (VAAS) to develop the training plan for research staff of 10 project Institutes. On 2 October 2008, MARD issued Decision No. 2991/QD-BNN-TCCB assigning VAAS to supervise the content and quality of short-term research staff training courses.

14. A training needs assessment (TNA) was coordinated by CPMU and 10 training subject areas were agreed at a workshop involving the 10 Research Institutes. The Institutes have nominated staff for each of the 10 agreed subject areas. Request for approval was sent to ADB on 6 October 2008. The training program is scheduled to commence in November 2008.

15. Findings and Recommendation.

- Minimal guidance was provided to Institutes for the training needs assessment (TNA). With each Research Institute operating independently it is uncertain that an objective and consistent approach was applied. The effectiveness of the approach applied by Research Institutes to on-the-job training needs assessment (TNA) should be technically reviewed by the Consultants.
- Defining specific training programs for each of the 10 training subject areas is likely to be challenging as each area is wide-ranging. One third of the training nominations were for English language training. Training in technical areas comprised 38% of the nominations. Management and administration attracted 28% of the nominations. The Consultants should advise and assist the CPMU in finalizing delivery of on-the-job training in the 10 areas. Special attention needs to be given to English language training, recognizing the different competency levels of research staff.
- Overseas training targets are facing difficulty because of English language limitations. The project is exploring the possibility of English training being provided in the country where the

overseas study program will be conducted taking into consideration the limitations of available budget for scholarships.

c. Upgrading of Research and Laboratory Equipment

16. **Scope and Purpose.** The Project will provide and upgrade essential research and laboratory equipment of selected MARD agricultural research institutes to fill critical gaps in research due to outdated equipment. DSTE has been assigned to oversee activities under this sub-component.

17. **Progress.** CPMU and DSTE have appraised investment plans from 10 Research Institutes. The investment plans for 9 Research Institutes have been approved by MARD and the investment plan from the remaining Research Institute is expected to be granted in October 2008. The plans will be submitted to ADB in November 2008. PMU is working with the Institutes to prepare a general bidding plan for approval of MARD and ADB. Installation of research and laboratory equipment, and necessary trainings, will be completed June 2010.

18. The Agriculture Environment Institute is newly established on a basis of soil environmental research lab of Soils and Fertilizers Institute (SFI) and Centre for biological environment of Genetics Institute. Due to the change of investment condition, MARD proposes ADB to consider an additional investment of 380,000 USD for soil environmental research laboratory of Agriculture Environment Institute in effectively operation. The Mission supports MARD's request.

19. Findings and Recommendations.

- The sub-component has been delayed and it has been noted that the original investment plans were prepared in 2005. Taking into consideration the impact of inflation, which is significant, the Mission recommends that CPMU revises the investment plans if it needs to be revised.
- The delays in the implementation of investment plans is a major concern for timely availability of equipments for use by research institutes. The Mission requested MARD and CPMU to rapidly approve the bidding plan to ensure progress of purchasing equipment according to the established plan. Consultants should collaborate with the CPMU to identify means of accelerating the implementation of equipment procurement for the ten research Institutes.

2. Grassroots Agricultural Extension Improvement

20. The Project will improve farmers' access to participatory and pro-poor extension services, and strengthen linkages between agricultural research and extension services. Activities will be implemented in Dak Nong, Nghe An, Ninh Thuan, Quang Nam, and Thanh Hoa provinces. The National Agricultural and Fishery Extension Center (NAFEC) have been assigned to oversee activities under this component.

a. Pro-poor Provincial Agricultural Extension Services

21. **Scope and Purpose.** This sub-component will provide 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 NAEC, PAECs, and district stations for agricultural extension.

22. **Progress.** Provincial Project Management Units (PPMU), responsible for overall management and supervision of the activities related to agricultural extension, have been established under the provincial department of agriculture and rural development in each of the five project provinces. The general plans of Thanh Hoa and Ninh Thuan have been approved by the People's Committee of the provinces. The general plans of Nghe An, Quang Nam and Dak Nong are awaiting PPC approval. The following progress has been noted:

- Thanh Hoa, Nghe An, Quang Nam and Ninh Thuan have prepared training plans. Dak Nong province is preparing to establish the training plan of 2008.
- Quang Nam and Thanh Hoa have completed the procurement of office equipment and agricultural extension equipment. Nghe An, Ninh Thuan are in the process of procuring office equipment and the agricultural extension equipment. Dak Nong Province is awaiting approval of the People's Committee of Province.
- Thanh Hoa, Nghe An, Quang Nam and Ninh Thuan have completed the selection procedures for a Provincial agricultural extension specialist and have made suitable appointments. Dak Nong has been unable to attract an appropriate extension specialist.
- Counterpart funds from Quang Nam, Ninh Thuan, Dak Nong were delayed, which has delayed project implementation in those Provinces in 2008.
- CPMU has not yet commenced the ToT program, which is a specific service input of the extension management specialist consultants.
- NAFEC is conducting a survey of the performance of agriculture extension information and communication dissemination in each of the five project provinces. The survey was launched on 12 September 2008 and a workshop to review the questionnaire was held on 10-11 October 2008.

23. **Findings and Recommendations.**

- The consultants should assist the CPMU to assess need of ToT training program in the Project provinces and recommend an effective mechanism for providing such trainings to the provincial extension workers..
- The Agricultural Extension Management Specialists (AEMS) should review the extension training plans and materials prepared by all PPMUs and advise revisions to improve their effectiveness where appropriate. This should be done in consultation with each PPMU, CPMU and NAFEC. Associated with this, the AEMS will establish the status of the proposed extension training team and assess its need.
- The M&E specialist (M&ES) should advise AEMS and CPMU on how to measure the effectiveness of extension equipment provided to Provinces and Districts in Component 2 of the Project.

b. Promotion of Extension Contracts

24. **Scope and Purpose.** The sub-component will finance 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.

25. **Progress.** Each of the five project PPMUs are involved in establishing extension contracts and each has selected communes and districts to participate in the project. Surveys have been conducted and needs of communes have been assessed. The extension needs of farmers have been determined and extension demonstration models identified. Four PPMUs have submitted their extension demonstration models to NAFEC. These have been approved and have progressed to process implementation. In 2008, extension contracts will be implemented. The

main focus is extension demonstration models. Thanh Hoa PPMU has completed the procedures for selection of services providers for 20 demonstrations in 2008.

26. Findings and Recommendations.

- Progress in Dak Nong PPMU is lagging behind others. The CPMU and the Consultants should review the situation in Dak Nong and identify specific measures to speed up its implementation.
- There is a need for the Agricultural Extension Management Specialist (AEMS) consultants in association with CPMU to provide advice and assistance for use by PPMUs, District Extension stations and commune extension workers on appropriate design and effective operation of demonstration trials. In some cases it may be necessary for a demonstration trial to extend for more than one year given year to year seasonal condition variations. The demonstration role of the trials needs to be clearly articulated.
- The Mission is reiterating the recommendation of the March 2008 ADB Review Mission that the specialists of NAFEC, supported by the consultants of the Project, provide technical and methodological guidance to the PPMUs for these activities.
- Monitoring and evaluation of the extension contracts must be considered during their formulation, if not before. The AEMS in consultation with the Monitoring and Evaluation Specialist (M&E), CPMU and the PPMUs should develop suitable guidelines and procedures for PPMUs to apply, ensuring appropriate monitoring of contract effectiveness.
- The M&E Specialist Consultant should work with CPMU M&E specialists to identify and develop suitable training programs for PPMUs on M&E in relation to evaluating the impacts of extension projects.

3. Rural-Based Technical and Vocational Training

27. **Scope and Purpose.** The sub-component will strengthen the capacity of rural-based technical and vocational training schools 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. Department of Personnel (DOP) has been assigned to oversee activities under this sub-component.

28. **Progress.** Upon the recommendation of the Mission, TA 4619 assisted CPMU and supported the IPMUs by (i) providing necessary guidelines for the operations and management of the Project, and (ii) familiarizing the IPMUs with ADB's procedures on procurement, disbursements, and other project management and administration aspects described in the Project Administration Memorandum . A training course on the Project Implementation Manual (PIM) will be organized on 5-6 May 2008 and the PIM was approved by MARD on 16/6/2008 and circulated .

29. CPMU closely cooperated with Consultants of TA 4619 to hold the workshop in Do Son, Hai Phong on 5 March 2008, which successfully achieved upgrading strengthening the capability of teachers and training equipment of the project. The workshop will be the model of activities for this sub-component. Study tour to China for the development strategy of 10 colleges and vocational schools was successfully undertaken on 29 March 2008-4 April 2008. Workshops on development strategy for 10 schools in the project are being carried out. English training courses for 10 schools are being implemented. Completed the plan for curriculum revision to 10 schools in the project and cooperated with DOP to organize a workshop on curriculum revision for 10 schools in Ha Noi on 21-22 October 2008. The cost estimate for

curriculum development is US\$600,000 which is more than the current allocation. CPMU requested for reallocation of funds to this activity given its importance. The Mission recommended that CPMU provide ADB the detailed cost estimates along with justification and a formal request. Progress in the curriculum development has been relatively low due to the delayed recruitment of consultants.

30. CPMU in collaboration with DOP appraised the equipment and facilities investment plans of the 10 technical and vocational training schools and colleges. Schools submitted revised plans to CPMU/DOP in June 2008. Two schools have received approval for their investment plans and three have been submitted to the Vice Minister for approval. It is hoped that the final five plans will be approved by the end of October 2008.

31. The bidding period for the schools facilities and equipment was scheduled in September 2008 with procurement to be completed by December 2009. However, due to delays in approval of the investment plans for 10 schools, the bidding will commence in early 2009. The delays have arisen because of the relatively low management capacity in the schools and government regulations on the use of consultants by schools affecting the level of expenditure and therefore the quality of consultants that schools can use.

32. Findings and Recommendations.

- The Mission requests DOP and CPMU to accelerate the approval of the remaining investment plans.
- Competition for students is increasing.
- Process has been developed to facilitate curriculum development training.
- Importance of client-oriented curriculum development processes is emphasized – based on student and industry needs; 10 schools have formed into 3 groups to define curriculum areas and to develop curricula.
- The development of curriculum guides needs to be supported with training in curriculum development Activity 4 (sub-component 3.1 of PIM) before schools and colleges commence preparation of curriculum guides or revised curricula in the areas that have been agreed by the 10 schools.
- The Agricultural Vocational Training Specialist Consultant in association with CPMU and in consultation with the IPMUs in the 10 participating schools and colleges as well as the DOP should prioritize the implementation of activities under Sub-component 3.1 to ensure that resources are allocated in a logical and continuous manner that is consistent with needs of the participating schools.
- The AST Project activities are the first of their kind in which the DOP has been involved.
- Delays in approving the equipment and facilities investment plans (original plans were prepared in 2007 or earlier), together with high rates of inflation in Viet Nam in 2008 have resulted in significant revisions to the composition of the Schools' equipment and facilities investment plans. Higher prices for construction and equipment have reduced not only the scale of investment but also the potential effectiveness of improved facilities and equipment. This will slow progress of objectives to improve teaching and student quality.
- Understanding and compliance with financial procedures and regulations of ODA funds is a weakness of the schools. Some would benefit from an update on financial management. The Consultant Financial Management Specialist in association with the CPMU should review the need for supplementary training on financial management and procurement processes and provide appropriate solutions.

4. Project Management

33. A central project management unit (CPMU), within MARD's Agricultural Projects Management Board, was established for the overall project management support. CPMU is divided into four units including (i) accounting; (ii) administration; (iii) planning; and (iv) technical monitoring. The Mission observed that due to the decentralized arrangements for implementation of various components and sub-components through 25 different PPMUs and PPMUs management, coordination and communication roles of the CPMU are very critical

34. Ten research institutes and ten agricultural colleges and vocational schools will participate in the Project. In line with the Government's decentralization policy, and for project implementation and management, an institute project management unit (IPMU) has been established in each of the 20 participating institutions. The Decision 675/QD-BNN-XD dated 3 March 2008 of MARD's Minister decentralizes the procurement by authorizing subproject investors to undertake necessary procurement activities. The Mission supports the application of this decision to facilitate the procurement at the IPMU level.

35. The Mission stressed the need for CPMU to act as the central contact and coordination point for the Project and to monitor the progress of all components. All PPMUs and IPMUs should closely communicate with CPMU during the project implementation to ensure the compliance of ADB and GoV's procedures.

C. Consulting Services

36. There was an initial delay in the recruitment of the consulting firm due to late submission of short listed firm and approval by EA. The contract with Hassall & Associates was signed on 8 September 2008 and the consultants were mobilized from 11 September 2008. The consultants are now working with CPMU on the implementation of the Project. Field visits to 5 Research Institutes, 3 schools and 2 PPMUs as well as NAFEC, and DSTE were undertaken in October 2008. The inception report was due on 20 October 2008. The Consultants are now working on the report and will take into consideration the Mission's findings and recommendations.

D. Implementation Schedule

37. The Project was originally scheduled to be implemented over a period of 5 years from January 2007 to December 2011. Given the delay in the recruitment of the consultants, the Mission and CPMU have agreed to a revised implementation schedule (Appendix 3). The Mission believes that, with close coordination and monitoring of CPMU, activities of the Project can still be completed as scheduled.

E. Procurement

38. The Project submitted a list of items procured (AM, Appendix 5 of the last review mission) by CPMU. We have not received any contracts or seen any WA for these. Please follow up. Likewise, please follow up on procurement of office equipment for PPMUs and IPMUs.

F. Project Costs and Financing

1. Contract Awards and Disbursement

39. As of 24 October 2008, the CPMU reported total disbursement of VND 7.95 billion (approximately \$0.49 million) comprising of VND 6.2 billion (ADB funds) and VND 1.7 billion (counterpart funds). Project disbursements have been for the purchase of a vehicle and office equipment for CPMU, operation cost for CPMU, PPMUs and IPMUs, training and workshops. CPMU has sent the 3rd withdrawal application to MOF and is expected to be forwarded to ADB on the last week of October 2008. As of Mission's visit, CPMU reported that contracts amounting to \$3.0 million have been awarded.

2. Audited Financial Statements

40. Since last year's disbursements 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. In August 2008, ADB approved the shortlisted firms to audit project accounts and financial statements and for funding from the Project amounting to \$100,000. However, due to a misrepresentation of one of the firms in its EOIs, the Agricultural Projects Management Board has reduced the shortlist to 5 firms. CPMU is now seeking ADB's approval on the shortlist. ADB is currently reviewing the RFP and narrative evaluation sheet.

3. Counterpart Funds

41. In the beginning of the year, CPMU submitted disbursement projections of \$2.92 million comprising \$0.61 million counterpart funds (21%). MARD allocated sufficient counterpart fund in August 2008. However, the delay in allocation of counterpart fund has seriously affected the implementation of the planned Project activities in 2008, especially by the CPMU. The Mission requested the Government to provide CPMU with sufficient counterpart funds for the Project in 2009 in order to finance the planned project activities.

G. Project Reporting

42. ADB received the second quarter progress report in July 2008. The Mission reiterated its request to include attachments/appendices such as update of the loan covenants, update of the action plan for all activities under each component, and computation of overall implementation progress.

H. Compliance with Loan Covenants

43. Major loan covenants relate to (i) the EA, (ii) procurement, (iii) counterpart staff, (iv) disbursement, (v) accounting, auditing, and reporting, and (vi) project performance monitoring and evaluation. The list of covenants and the status of compliance is given in [Appendix 6](#).

III. ACKNOWLEDGEMENTS

44. The Mission would like to thank MARD especially the following agencies: CPMU, ICD, DSTE, DOP, DOF, APMB, VAAS, NVCARD, IAE and Food Crops Research Institute and others related to the Project for their help and cooperation during the Mission's visit. **The next loan review mission will be scheduled in _____.**

Hanoi, Viet Nam
27 October 2008

Mahfuz Ahmed
Asian Development Bank

LIST OF PERSONS MET

MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT (MARD)**Agricultural Projects Management Board (APMB)**

1. Mr. Nguyen Huu Khuong , Director General, APMB

CPMU

1. Mr. Nguyen The Hinh, Director of Agricultural Science and Technology (AST) Project
2. Ms Le Thi Nhung, Deputy Director of Agricultural Science and Technology (AST) Project
3. Ms Ha Thi Thu, Chief Accountant
4. Mr Vu Tien Dung, Chief of Technical Division
5. Mr Khuat Minh Dung, Chief of Planning Division
6. Mr Nguyen Van Quyet, Chief of Administrative Division
7. Ms Trinh Thi Thuy Hoi, CPMU Technical Staff
8. Mr Nguyen Ngoc Lau, CPMU Technical Staff
9. Ms Nguyen Thi Minh Huong, CPMU Planning Staff
10. Mr Vu Hong Hai, CPMU Planning Staff, Translator
11. Ms Nguyen Viet Ha, CPMU Accountant
12. Ms Duong Thi Diem Hang, CPMU Accountant
13. Ms Bui Thuy Linh, , CPMU Accountant
14. Mr Nguyen Van Hien, Training Specialist

DSTE

1. Mr Triệu Văn Hùng - Director General of DSTE
2. Ms Trần Thị Đính - Specialist
3. Mr Trần Văn Chiến - Specialist

DoF:

1. Mr Nguyễn Văn Hà - Deputy Director General
2. Ms Nguyễn Thị Anh Thuýn - Specialist

ICD:

1. Ms Tran Thi Tuyet Hoa, Deputy Director General

DOP:

1. Mr Pham Hung, Deputy Director General
2. Mr Phung Huu Can, Specialist
3. Ms Ha Thuy Hanh, Specialist

IAE:

1. Mr Nguyen Hong Son, Director
2. Ms Le Thi Kim Dung- Staff
3. Mr Vu Thang- staff

VAAS:

1. Mr Nguyễn Văn Bộ - Director General
2. Mr Vũ Mạnh Hải – Deputy Director General
3. Mr Nguyễn Văn Viết – Head of Science Division

NVCARD:

1. Mr Bùi Duy Phục – Chief Accountant
2. Ms Vũ Hữu Doãn – Technical staff
3. Ms Đào Thị Oanh – Administrative staff
4. Trần Ngọc Hưng - Coordinator

Food Crop Research Institute:

1. Mr Nguyễn Trí Hoàn - Director
2. Mr Phạm Đình Phục - Coordinator
3. Ms Đỗ Thị Láng – Chief Accountant
4. Mr Dương Xuân Tú - Staff
5. Ms Nguyễn Thị Hồng Gấm - Accountant

* Attended the Wrap-up Meeting

Loan No. 2283-VIE(SF): Agriculture Science and Technology
Physical Progress
As of 31 August 2008

Components		Assigned Weight (a)	Actual Progress (b)	Weighted Progress c (axb)
1	Client-Oriented Agricultural Research and Capacity Strengthening			
	1.1 Client-oriented agricultural research programs	15.35	0.167	2.56
	1.2 Training and post-graduate programs	12.80	0.700	8.96
	1.3 Upgrading of equipment	15.78	0.167	2.63
2	Grassroots Agricultural Extension Improvement			
	2.1 Provincial plans for pro-poor agricultural extension services	4.35	0.400	1.74
	2.2 Training programs for trainers, extension staff, and grassroots service providers	8.78	0.225	1.98
	2.3 Provision of on-farm demonstration trials	0.77	-	-
	2.4 Contractual agricultural extension services	7.78	0.200	1.56
	2.5 Capacity strengthening of local extension centers	0.08	0.850	0.07
3	Rural-Based Technical and Vocational Training			
	3.1 Training programs for teaching and administrative staff	0.88	0.125	0.11
	3.2 Upgrading of library and laboratory facilities	24.37	0.040	0.97
4	Project Management			
	4.1 Establishment of provincial project management units	4.26	1.00	4.26
	4.2 Recruitment of implementation consultants	2.47	0.80	1.97
	4.3 Procurement of vehicles and equipment	0.32	0.50	0.16
	4.4 Appointment of incremental project staff	1.10	1.00	1.10
	4.5 Establishment of a project steering committee	0.15	1.00	0.15
	4.6 Monitoring of project activities	0.15	0.10	0.02
	4.7 Financial auditing	0.15	0.10	0.02
	4.8 Quarterly progress reporting	0.15	0.15	0.02
	4.9 Midterm Review	0.15	-	-
	4.10 Project completion review	0.15	-	-
	Total	100.00	7.523	28.28

Note: (a) weight for each component indicated in Table A6.1: Detailed Cost Estimates by Expenditure and Project Component, App. 6 of RRP.

(b) percentage of progress against each activity.

(c) implementation progress to date against each activity (to be discussed during the mission).

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
A. Client-oriented Agricultural Research and Capacity Strengthening																				
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. Grassroots Agricultural Extension Improvement																				
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																				
C. Rural-based Technical and Vocational Training																				
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																				
D. Project Management Support																				
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.

Source: ADB. 2003. *Technical Assistance to the Socialist Republic of Viet Nam for Preparing the Agriculture Science and Technology Project* (Financed by the Japan Special Fund). Manila (TA 4194-VIE); and ADB estimates.

ACTION PLAN FOR 2008 (UPDATED ON 25 October 2008)

No.	Components	Needed Actions	Responsible Agency	Status
1	1.a – Client-Oriented Research Programs	<p>Establish a committee to examine and select research proposals: 15 May 2008</p> <p>Advertisement for research proposals: 15 April 2008</p> <p>Review and selection of first batch of research proposals: 15 May 2008</p> <p>Submission of selected proposals to ADB: 30 June 2008</p> <p>Bidding for selection of first batch of services providers: 31 July 2008</p> <p>Second advertisement for research proposals: 15 May 2008</p> <p>Review and selection of second batch of research proposals: 15 June 2008</p> <p>Bidding for selection of second batch of services providers: 30 Aug 2008</p> <p>Completion of selection for research proposals under AST</p>	MARD	<p>Around 20-30 research proposals estimated at \$200,000 is expected to be awarded in 2008.</p> <p>- A Committee of 11 members was established on 2 May 2008 by MARD.</p> <p>- Request for preliminary research proposals were posted on Agricultural Newspapers from 8-10 July 2008, posted on MARD and MOSTE websites.</p> <p>- Shortlist of 70 research proposals from 23 research providers was approved by MARD on 2 Oct 2008.</p> <p>- CPMU and DSTE sent Request for detailed proposals to 23 research providers on 3 Oct 2008. The deadline for submission of proposals is 25 Oct 2008.</p> <p>- Continue collecting preliminary research proposals until 30 Dec 2008.</p> <p>- Not yet. This will be started on 5 Jan 2009</p> <p>Not yet. This will be started on 25 Jan 2009</p> <p>- Not yet. Expected end on 25 April 2009 by MARD Decision.</p>
2	1.b - Training of Research Staff	Submission to ADB of selection criteria for trainees: 31 March 2008	MARD	- Selection committee was established on 7 Apr 2007.

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3	1.c – Upgrading of Research and Laboratory Equipment	Submission of list of trainees, shortlist of universities, and cost estimates for training to ADB: 30 April 2008	IPMUs	- List of trainees, shortlist of universities submitted to ADB on 28 March 08. Approved by ADB on 4 April 2008. Cost estimates approved by ADB.
		Contracting of University of Agriculture No. 1 for training and examination of first batch: April 2008		- First round of selection carried out in Jan 2008. 19 out of 25 candidates have been selected.
		Placement of first round students overseas: September 2008		- 9 students have been overseas (5 to U.S., 2 to Germany, 1 to Sweden, 1 to Australia). The remaining will go overseas soon
		Advertisement for second batch of candidates: Aug 2008		- Advertised in May 2008. Second round of selection started in August 2008, end on 30 September 2008:
		Selection of second batch of candidates: September 2008		- Completed on 30 Sep 2008. 28 successful candidates out of 42 applicants. .
		Total of 55 students go to study overseas under AST finance.		- After 2 rounds of selection, 47 candidates are selected. Only 8 students left for the third round.
		Third round of selection: March 2009		- Not yet due
		Training of domestic research staff: June 2009		- Not yet due
		Submission to MARD of list of equipment from IPMUs: 30 June 2008		- All IPMUs have submitted their investment projects. All investment projects have been appraised and 9 have been approved by MARD.
		Submission of approved list to ADB: 31 August 2008		- This shall be done after MARD's approval of all 10 investment projects.
		Bidding for equipment: 30 Sept 2008 to September 2009		- Not yet due
		Installation and training: Jan 2009 to June 2010		- Not yet due

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4	2.a - Pro-poor Agricultural Extension Services	Completion of Guidelines on extension: April 2008	PPMUs, Provincial Agriculture Extension Center (PAEC)	- PPMUs have selected communes and districts.
		Approval of detailed plan for central extension activities: April 2008		- Approved by ADB on 28 Apr 08. - Approved by MARD in May 2008 - Approved by MARD in the AST's General Plan and has sent to ADB through email on 16 Jun 2008.
		Development of provincial plans for agricultural extension and identification of extension contracts: May 2008		- 2 PPMUs (Thanh Hoa and Ninh Thuan) have got approval of provincial plans. PPMUs of Quang Nam and Nghe An are waiting for PPC approval. PPMU of Dak Nong is preparing the provincial plan.
		Bidding for equipment and selection of services providers for information dissemination activities: July 2008		- Detailed plan for dissemination and mass media promotion activities to enhance extension services has been completed. Bidding for equipment and selection of services providers for information dissemination activities are now on-going.
		Bidding for district extension equipment by PPMUs: July 2008		- PPMUs of Quang Nam, Thanh Hoa and Nghe An have completed the procurement. PPMUs of Ninh Thuan and Dak Nong are processing.
5	2.b – Promotion of Extension Contracts	Prequalification of local services providers: June 2008	PPMUs NAFEC and CPMU	About 20-30 extension contracts estimated at \$200,000 are expected to be awarded in 2008.
		Training of shortlisted extension services providers: July 2008	PPMUs PPMUs	- On-going. Thanh Hoa PPMU has completed. - Completed in Thanh Hoa, Quang Nam. On-going in Nghe An and Ninh Thuan. Preparation in Dak Nong.

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		Selection of extension services providers: September 2008		- Completed in Thanh Hoa for 2008. In preparation for Quang Nam, Nghe An and Ninh Thuan. Dak Nong is in planning period.
		Implementation of 2008 extension contracts: Sep – December 2008		- Not yet due. Started for 20 extension contracts in Thanh Hoa.
6	3 – Rural-based Technical and Vocational Training	Prepare list of library and laboratory equipment: 30 June 2008	MARD	10 schools have formulated investment projects. Appraisal has been taken for all 10 schools. 2 have been approved. The remaining shall be approved in mid November 2008.
7	4 - Project Management Support	CPMU to issue of Manual for Project Implementation to PPMUs and IPMUs: 30 March 2008	CPMU	-The PIM has been signed and circulated on 9 June 2008.
		Recruitment of International Consulting Firm: Contract signing: May 2008	CPMU, MARD, Consulting firm	- Signed the contract on 8 Sep 2008, mobilized international consultant on 10 Sep 2008.
		Recruitment of external auditor: May 2008	CPMU, MARD, ADB	- Waiting for ADB to approve RFP.
		Procurement of library equipment for PPMUs and IPMUs: June 2008	CPMU, MARD	- On going
		Recruitment of baseline survey consulting firm: July 2008	CPMU, ADB, MARD	- A domestic baseline consultant shall be recruited by CPMU using the provisional sum of International consultant contract

LIST OF ITEMS PROCURED BY CPMU (MAY WISH TO UPDATE – ASSIGNED MS THU)

	Description	Quantity
1	Computers	10
2	Photocopying machine	2
3	Projector	1
4	Digital Camera	1
5	Handycam	1
6	Laser jet printers	3
7	Telephone equipment	1
8	Tables and chairs	12
9	4 WD Vehicle	1
10	Kombo Paper Binder	1

**STATUS OF LOAN COVENANTS
as of 25 October 2008**

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 last year's disbursements were minimal, ADB approved to combine auditing of the 2007 and 2008. CPMU is now recruiting an independent auditor
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	Not yet due (see above).
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	Complied. The PSC was established on 4 June 2007. PSC met twice a year. The recent meeting was held on 30 Jan 2008

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	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.		
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 delay. In August 2008, counterpart fund for 2008 was sufficiently provided for CPMU.
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 technology development and information dissemination; (v) compliance with social and environmental requirements; (vi) involving at least one provincial agricultural extension center or extension advisory council; and (vii) not more than \$100,000 for each research proposal.	MARD	On-going. The operational regulations and procedures for selecting research topic proposals, including the required selection criteria, was approved by the Vice Minister on 20 June 2008 and by ADB on 7 July 2008. Advertisement for research proposals were posted on 8-10 July 2008. Approval of the first shortlist was on 2 October 2008.
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	CPMU	Being complied with.

Reference in LA	Covenant	Responsibility	Status of Compliance
	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.		
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	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: (i) Extension contracts are in line with the provincial plan for agricultural extension in the respective province; (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 (iii) each of the extension contracts shall cost up to the maximum of \$10,000.	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. Provincial plans of 2 PPMUs are approved. 2 others are waiting to be approved. 1 is in preparation.
Sched. 5, para. 13	The extension contracts to be funded under the Project shall have provisions that at least 40% of 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.	CPMU, PPMUs, and IPMUs	Being complied with.
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 2 PPMUs are approved. 2 others are waiting to be approved. 1 is in preparation.
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	CPMU	Being complied with. Civil works will be done

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	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.		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. The Law of GoV also requests the environmental impact assessment before any civil works commence