

Signing of Japanese ODA Loan Agreement with Vietnam: Supporting improvements to measures for vulnerabilities through the provision of saline water intrusion control facilities

On July 18, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of Vietnam in Hanoi to provide Japanese ODA loans of up to 24.257 billion yen for Ben Tre Water Management Project.

The project will provide saline water intrusion control facilities in Ben Tre Province in southern Vietnam, where saline water intrusion* is damaging crops. This will improve the agricultural productivity by providing agricultural water with low salinity, thereby contributing to adaptation to climate change and an improvement in local resident livelihoods through rural and regional development.

The Mekong Delta region in southern Vietnam is the country's prominent food production area, producing more than half of the country's food. Of this area, Ben Tre Province flourishes in particular with rice production, and the growing of coconuts and citrus fruit. The agricultural sector drives the economy of the province, and the ratio of the agricultural sector to the gross domestic product (44 percent) greatly exceeds that of the average of the country (18 percent). However, due to the reverse flow of saltwater into Mekong River tributaries caused by climate change and other factors in recent years, crops with little salt resistance are suffering severely, reducing yields and the fruit size. Damage caused by saline water intrusion in 2015 is estimated to have been approximately 1.5 trillion dong (approximately seven billion yen).

Given these conditions, drastic measures through the project are needed, such as the construction of sluices to prevent saline water intrusion.

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Ben Tre Water Management Project	24,257	0.3	0.01	40	10	General, untied

2. Executing Agency

Hydraulic Project Investment and Construction Management Board 9
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3. Planned Implementation Schedule

- (1) Completion of project: October 2022 – when the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): September 2017
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:

Project title: Sluice Gate
 Release date: May 2018

* The reverse flow of seawater into river systems due to factors such as a rise in the sea level.

