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Ba Tri District, Ben Tre Province, Vietnam

ENHANCING ACCESS TO CLEAN WATER WITH THE BA LAI WATER SUPPLY PROJECT

Upon completion, the water treatment plant and water supply plant is set to generate affordable, clean water at 15,000m³/day, to be piped directly to around 100,000 people in the Ba Tri District in Ben Tre Province, in the Mekong Delta, Vietnam.

Darco Viet Water Company Limited, backed by a joint venture between Singapore-based Darco Water Technologies and InfraCo Asia, part of the Private Infrastructure Development Group (PIDG), and with the support of local shareholder Dr Dao Dinh Minh, held a groundbreaking ceremony at the site of the future Ba Lai Water Supply Plant on 6 July, 2019.

The Ba Lai Water Supply ground-breaking sets in motion a US$30m portfolio of water supply projects for Darco Water – InfraCo Asia joint venture in Vietnam. InfraCo Asia, a commercially managed infrastructure development and investment company funded by the governments of the United Kingdom, Netherlands, Switzerland and Australia, will provide approximately US$5m for the development phase of the projects.

When fully operational, the Ba Lai Water Supply Plant will provide access to reliable and affordable water supply, unlocking social, environmental and economic benefits including:

- **Access to clean water**: Around 100,000 people will benefit from access to a reliable clean water supply.
- **Affordability**: Water from the project will be three times more affordable than treated bottled water, currently the main source of clean water in the rural and semi-urban communities.
- **Health and sanitation**: Having the Ba Lai Water Supply plant in place will help reduce the risk of contracting disease. According to the Ministry of National Resources and Environment, 80% of the diseases in Vietnam are caused by polluted water.
- **Time savings for more economically productive activities**: A more readily available clean water supply will reduce time spent on domestic work by women and children, who typically bear the burden of securing water for household needs.

While water supply and sanitation services for the rural poor have improved sharply under the National Target Program focusing on rural development, the operation and maintenance of water supply-related infrastructure requires greater emphasis. In addition, water supply and sanitation projects in Vietnam suffer from chronic underinvestment, with only US$1.0bn of the required US$2.7bn invested annually. Both increased effectiveness and more innovative financing are needed to close the widening gaps in the financing and provision of water supply and sanitation services.
“Ba Tri District is one of the districts most lacking in clean water supply in Ben Tre Province. The local community is in great anticipation of the services that the Ba Lai water supply project will bring. Not only will it alleviate the burden of water collection and rationing, it will also free up energy and resources for more economically productive activities.” said Mr. Cao Van Trong, Chairman of People’s Committee, Ben Tre Province.

**A strong tripartite collaboration**

The partnership between Darco Water Technologies, InfraCo Asia and local shareholder Dr Dao Dinh Minh capitalises on the respective water treatment expertise, financial and leadership capital, as well as local industry advisory of the three parties to forge a strong collaboration aimed at enhancing access to clean water in rural and semi-urban communities in Vietnam, including Ba Tri District.

An established player in regional solutions for water and wastewater systems, Darco Water Technologies stepped in to address the gap in water supply and sanitation services in the rural area of Vietnam.

InfraCo Asia determined the plans for the plant were viable, and in 2017 set a course to use its capabilities and funding to overcome difficulties in securing financing for the development phase of the project. At this time, InfraCo Asia also mapped out plans to develop the project to the International Finance Corporation’s (IFC) performance standards.

InfraCo Asia CEO Allard Nooy said, “As part of its involvement in the Ba Lai Water Supply project, InfraCo Asia aims to serve as a catalyst for future development in Vietnam’s water sector. Partnering with Darco Water Technologies and Dr Dao Dinh Minh puts us well on the way to achieve this goal. With Darco’s extensive water supply expertise and Dr Dao’s long-standing commitment to creating infrastructure for the people of Vietnam, we are well-positioned to bring a project to life that will inspire other firms to invest in the development of the country’s clean water supply.”

Darco Water Technologies’ Director of Corporate Affairs Heather Tan said, “At Darco, we seek to create water supply projects that provide sustained benefit to the people they serve. We have a 19-years track record of creating reliably operating assets in markets including Mainland China and Southeast Asia, and we are looking forward to using the Ba Lai Project as an opportunity to expand our footprint in Vietnam.”

Dr. Dao Dinh Minh said, “I am excited for what the collaboration with myself and the InfraCo Asia and Darco teams could mean for the future of water supply and sanitation projects in Vietnam. I am delighted to see the Ba Lai Water Supply Project break ground, and very hopeful for the demonstration effect it will have, catalysing future projects in the sector.”

**Technical Assistance Facility (TAF) Funding**

Through InfraCo Asia, the water supply portfolio (including Ba Lai) was also able to mobilise a non-returnable grant amount of US$350,000 from the Technical Assistance Facility (TAF), also part of the PIDG family. The grant will go towards capacity building and on-the-job support via the engagement of a Technical Advisor for the Vietnam Water Supply Portfolio.

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About Darco Water Technologies

Established in 1999 and listed on SGX in 2002, Darco Water Technologies designs and delivers engineered solutions for water and wastewater systems for industrial and municipal customers. Its core management team has more than 19 years of experience in water treatment for a wide range of industries. Its markets include Mainland China and Southeast Asia.

For more information, please visit www.darcowater.com

About InfraCo Asia

1. InfraCo Asia Development Pte Ltd (InfraCo Asia) is a commercially managed infrastructure development and investment company of the Private Infrastructure Development Group (PIDG).
2. Headquartered in Singapore, InfraCo Asia stimulates greater private sector investment in infrastructure in south and south-east Asia. InfraCo Asia funds high-risk infrastructure development activities by taking an equity stake with a focus on socially responsible and commercially viable infrastructure projects that contribute to economic growth, social development and poverty reduction. At the appropriate time, either as close as possible to financial close and/or commercial operation, InfraCo Asia aims to (partially or fully, as appropriate) exit each project. It does this through the sale of its stake to the private sector in order to catalyse private sector investment and participation into the projects and countries it is engaged with.
3. InfraCo Asia is currently funded by four members of PIDG – the UK Department for International Development (DFID), the Ministry of Foreign Affairs of the Netherlands (DGIS), the Swiss State Secretariat for Economic Affairs (SECO), and the Australian Department of Foreign Affairs and Trade (DFAT).
4. The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 183 infrastructure projects to financial close and provided 243 million people with access to new or improved infrastructure. PIDG is funded by six governments (UK, Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC.

For more information, please visit www.infracoasia.com and www.pidg.org.

About Dr Dao Dinh Minh

Dr Dao Dinh Minh chairs the Board of Directors of various Vietnamese companies in water supply sector in Vietnam and has held advisory positions with listed companies in Singapore including Keppel Land, ST Engineering and Demem.

He holds a PhD in Business Administration (University of Georgia). Currently, he is Vice President of the Oriental Research Institute, belonging to the Vietnam Union of Science and Technology Association (VUSTA) – a government-affiliated, technology transfer think tank. He is also a central member of the Vietnam Peace and Development Foundation.