



Draft Design and Monitoring Framework

Project Number: 33307
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Socialist Republic of Viet Nam: Greater Mekong Subregion Kunming–Hai Phong Transport Corridor: Noi Bai–Lao Cai Highway Project

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact</p> <p>Sustainable economic growth and strengthened connectivity with PRC in the project area and along the Kunming-Hai Phong Corridor</p>	<ol style="list-style-type: none"> 1. Average per capita income in Vinh Phuc, Phu Tho, Yen Bai and Lao Cai provinces reached the national average by 2015 2. Annual border trade at Lao Cai increased from \$477 million in 2006 to at least \$800 million in 2015 3. Overall poverty incidence in the project area reduced from 51.9% in 2004 to 15% in 2015 4. Number of new small and medium businesses and employment for local people in project influence area increased by 70% in 2015 	<ul style="list-style-type: none"> • Provincial statistical reports • Custom control statistics • Road traffic census • Socioeconomic and person trip surveys 	<p>Assumptions</p> <ul style="list-style-type: none"> • Streamlined cross border operation and a minimum of barriers to trading and mobility • Complementary government and donor projects for rural development are implemented <p>Risks</p> <ul style="list-style-type: none"> • Political factors increase barriers to cross border trade
<p>Outcome</p> <p>International and local traffic use an efficient, safe and reliable express route from Noi Bai to Lao Cai on the border with PRC</p>	<ol style="list-style-type: none"> 1. Travel time Noi Bai to Lao Cai reduced from 7-10 hours to 3-4 hours 2. Traffic volume: 18,000 in 2012 and 48,000 in 2022 for Noi Bai-Viet Tri section; 6,500 in 2012 and 23,000 in 2022 for Viet Tri-Yen Bai section; and 4,700 in 2012 and 15,000 in 2022 for the Yen Bai-Lao Cai section. 3. Ten percent of road container freight originating in Kunming going to ports in PRC divert to the Kunming-Hai Phong Corridor 4. Less than 0.05 per million vehicle-km fatalities on the highway during 2012-2021 5. Operation of more than 30 long-distance buses on the highway in a day 6. Local bus service availability in all the districts of project influence area 	<ul style="list-style-type: none"> • Traffic count and travel time surveys • Tolling data • Custom control data at Lao Cai cross-border facilities • Interview with freight forwarders in Kunming and Hai Phong Port Authority • Interview with bus companies • Accident statistics from Ministry of Transport 	<p>Assumptions</p> <ul style="list-style-type: none"> • Assumed economic growth rates materialize • Counterpart financing and human resources are available to carry out the Project • Contiguous section Shilin-Menzi-Hekou is completed by 2009 on PRC side • Lao Cai-Hekou border is operated based on GMS Cross-Border Transport Agreement • Access roads to the highway are improved and adequate capacity <p>Risks</p> <ul style="list-style-type: none"> • Toll revenue is lower than expected due to low traffic demand • Human and illicit drugs trafficking and prevalence of HIV/AIDS increase because of the highway
<p>Outputs</p> <p>The 244 km of Noi Bai-Lao Cai Highway with 10 grade-separated interchanges and 5 service areas is constructed to a high standard and operational.</p> <p>Institutional and financial management</p>	<ol style="list-style-type: none"> 1. Travel distance from Noi Bai to Lao Cai reduced from 298 km to 255 km 2. Highway capacity: 80,000 vehicles per day increased on Noi Bai-Yen Bai section; and 20,000 vehicles per day increased on Yen Bai-Lao Cai section in 2012 3. Transportation cost reduced by 20% for trips along the highway 	<ul style="list-style-type: none"> • Project completion report • Transport cost survey • Resettlement monitoring by VEC and an independent organization • Environmental monitoring reports • Organization structure 	<p>Assumptions</p> <ul style="list-style-type: none"> • Detailed highway design and detailed measurement survey for land acquisition and resettlement are completed as scheduled • Procurement of civil works is completed as scheduled • Provincial governments

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<p>capacity of VEC strengthened.</p> <p>HIV/AIDS, human and illicit drugs trafficking program minimize local population exposure to these issues.</p>	<p>in 2012</p> <ol style="list-style-type: none"> 4. Environment at project site protected and adverse environmental impacts mitigated 5. Land acquisition and resettlement restored to at least the same level as before land acquisition 6. Highway O&M offices, O&M vehicles, and intelligent transport system installed 7. Road safety enhanced through increased awareness by local people 8. Capacity of VEC in project management, procurement, EIA and monitoring, resettlement, corporate finance, and highway O&M 9. Sufficient net revenue stream to cover debt service on annualized basis 10. Risks for HIV/AIDS, human and illicit drugs trafficking mitigated 	<p>of VEC, number of directors and experts in VEC</p> <ul style="list-style-type: none"> • Financial statement of VEC • Monitoring by the Ministry of Health 	<p>carry out land acquisition and compensation in accordance with the RP</p> <ul style="list-style-type: none"> • Environmental management plan is implemented by contractors • Health authorities carry out health campaigns <p>Risks</p> <ul style="list-style-type: none"> • Delays in completion of procurement and/or resettlement delay start of construction • Contractors fail to perform as required • Inadequate attention or funding given to EMP and health plan
<p>Activities with Milestones</p> <p>Pre-construction stage</p> <ol style="list-style-type: none"> 1.1 Detailed highway design and DMS for land acquisition and resettlement are completed by January 2008. 1.2 Update of RP including outputs of DMS is approved by March 2008. 1.3 Contracts for the civil works are awarded by July 2008. 1.4 VEC completes assignment of staff to an expanded project implementation unit by July 2008. 1.5 Contract for the project supervision consulting services is awarded by August 2008. 1.6 Contractors and project supervision consultant start the project in September 2008. <p>Construction stage</p> <ol style="list-style-type: none"> 2.1 The mine clearance works are completed by March 2009. 2.2 All land acquisition and resettlement activities are completed by March 2009. 2.3 All livelihood development and income restoration programs are completed by September 2009. 2.4 Mid-term review of the Project is undertaken in the third quarter of 2010. 2.5 Financial analysis report including toll level and VEC's financial projection is prepared by July 2011. 2.6 Procurement of equipment for highway operation and maintenance is completed by December 2011. 2.7 The civil works are completed by December 2011. <p>Post-construction stage</p> <ol style="list-style-type: none"> 3.1 VEC starts operation of the Highway in January 2012. 3.2 Training of VEC staff on highway operation and maintenance is completed by June 2012. 3.3 Project completion report is prepared by June 2012. 			<p>Inputs</p> <p>ADB finances \$1,096 million loans to cover 100% of cost for the civil works, consulting services, highway operation and maintenance equipment, and VEC's incremental administration, and also a \$1 million grant to implement the HIV/AIDS, human trafficking, illicit drugs prevention program.</p> <p>The Government finances \$120 million to cover 100% of cost for mine clearance, and land acquisition and resettlement</p>

ADB = Asian Development Bank, DMS = detailed measurement survey, EIA = environmental impact assessment, O&M = operation and maintenance, PRC = People's Republic of China, VEC = Vietnam Expressway Corporation.