



Viet Nam: Comprehensive Socioeconomic Urban Development Project in Viet Tri, Hung Yen and Dong Dang

Project Name	Comprehensive Socioeconomic Urban Development Project in Viet Tri, Hung Yen and Dong Dang
Project Number	41462-013
Country	Viet Nam
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 2826-VIE: Comprehensive Socio-economic Development of Selected Cities (Viet Tri, Hung Yen and Dong Dang) Asian Development Fund US\$ 70.00 million Loan: Comprehensive Socioeconomic Urban Development Project - Viet Tri, Hung Yen and Dong Dang Korea Exim Bank US\$ 13.52 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Partnerships
Sector / Subsector	Transport - Urban roads and traffic management Water and other urban infrastructure and services - Other urban services - Renovation and protection of cultural heritage - Urban flood protection - Urban policy, institutional and capacity development - Urban sewerage - Urban solid waste management
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The proposed Project will address critical urban development issues of Viet Tri, Hung Yen, and Dong Dang in northern Viet Nam along the North-South economic corridor (NSEC), in contributing to the transformation of the NSEC from transport corridor into full-fledged economic corridor and in complementing Hanoi as alternative growth centers.

Project Rationale and Linkage to Country/Regional Strategy

The NSEC which connects southeastern People's Republic of China (PRC) with the Greater Mekong Subregion (GMS) countries is a dynamic and rapidly developing area. In particular, the eastern branch of the NSEC, connecting Kunming (Yunnan Province, PRC) and Nanning (Guangxi Zhuang Autonomous Region, PRC) to Hanoi and northern Viet Nam, is experiencing rapid growth arising from foreign direct investments, cross-border trade, and flows of goods and people. In PRC, two ADB financed projects are being prepared along the NSEC.

Three urban areas, Viet Tri (an industrial base located on the Noi Bai-Lao Cai expressway, Phu Tho Province), Hung Yen (a growth center shifting from agricultural base to light industry and services, Hung Yen Province), and Dong Dang (a border town at the Viet Nam-PRC border, Lang Son Province) were identified as the project cities. They are located along the NSEC outside Hanoi. Increased traffic and trade along the NSEC has resulted in tremendous development pressures on these urban areas. Basic urban infrastructure and municipal services are insufficient both in terms of meeting the existing demands and the demands that are expected to be induced by increased movements of goods and people. The lack of urban infrastructure and services as well as insufficient capability to plan for the future growth is a significant constraint to the local socioeconomic development. At the same time, such shortcomings hinder the transformation of the NSEC from transport corridor into full-fledged economic corridor which provides for the efficient flows of goods and people, resulting in the increased trade and private investment.

The proposed Project is in line with the Viet Nam's Socio-Economic Development Plan 2006-2010 which envisions Viet Nam to become an industrialized country by 2020. In the Orientation Master Plan for Urban Development to 2020, the Government aims to develop model cities and divert rural migration away from the large cities through the development of secondary cities and strengthening of rural-urban linkages. The proposed Project will address the GMS strategy to transform transport corridors into full-fledged economic corridors as identified in ADB's Regional Cooperation Strategy and Program for GMS (2009-2011) and confirmed during the 15th Ministerial Meeting of the GMS Economic Cooperation Program and the GMS Development Dialogue. ADB's Country Strategy and Program (CSP) for Viet Nam 2007-2010 emphasizes the need to target infrastructure investments in small and medium-sized cities, particularly those along the GMS economic corridors. The Assessment, Strategy and Roadmap (ASR) for the urban development sector in Viet Nam that is expected to be completed by June 2010 will accord a priority on the integrated urban development approach in corridor towns.

Lessons learned from ADB's experience in the urban development sector include (i) reducing implementation delays by shortening procurement, strengthening the capacity and skills of project management units (PMUs), and reducing project start-up time; (ii) reducing the time for revising and finalizing designs and bidding documents; (iii) improving consultant quality; (iv) preparing more judicious covenants; (v) identifying and applying lessons; and (vi) strengthening risk analysis. The proposed decentralized approach is expected to address the lessons (i) and (ii) through reduction of the Government's approval steps. Other lessons will be studied during project preparation and adequately incorporated in the project design.

Impact	Development of Viet Tri, Hung Yen, and Dong Dang as economic centers in northern Viet Nam
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Project Outcome

Description of Outcome	Improved urban infrastructure and municipal services in Viet Tri, Hung Yen, and Dong Dang
Progress Toward Outcome	implementation is underway to achieve the outcome

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. (Viet Tri) Urban roads connecting Noi Bai-Lao Cai expressway with the city center constructed. 2. (Viet Tri) Fleet and equipment provided. 3. (Hung Yen) Wastewater treatment plant and network built. 4. (Hung Yen) Infrastructure in old town upgraded. 5. (Hung Yen) Urban road constructed. 6. (Dong Dang) Huu Nghi border gate facilities improved. 7. (Dong Dang) Improved drainage and flood protection. 8. (Dong Dang) Strengthened efficiency and management capacity of local authorities.
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Output 1: On going</p> <ul style="list-style-type: none"> - Phu Dong road (VT1) is under construction and expected to complete by end 2016 - Truong Chinh road (VT2) is under construction and expected to complete by end 2016 - Thuy Van road in the Industrial zone (VT3) is under construction and expected to completed by end 2016. - 24% of unskilled labor force in civil work is women. <p>Output 2: Completed.</p> <ul style="list-style-type: none"> - All fleet and equipment are provided already. <p>Output 3: On going</p> <ul style="list-style-type: none"> - Detail Plant Design and wastewater treatment networks are in the process of design approval (Korean Saman Consultant implemented). <p>Output 4: On going</p> <ul style="list-style-type: none"> - Package HY2/NCB: On going. Construction is underway, completed 3.5 km of roads. - 50% of Community Facilitator of hygiene awareness raising activities are women. <p>Output 5: on going</p> <ul style="list-style-type: none"> - Package HY3/NCB: Construction of urban roads is on going, 1.8km pavement was completed. Installation of drainage system is on going. <p>Output 6: ongoing</p> <ul style="list-style-type: none"> - Package DD1b1/ICB: Construction underway. - Package DD1a/NCB: Construction is underway, 0,5 km was completed. - Package DD1a/NCB: Construction is underway. - Package DD1a/NCB: Construction is underway. - Awareness and prevention programs on sexually transmitted diseases including HIV/AIDS and human trafficking: various trainings conducted in collaboration with Cao Loc Women's Union. <p>Output 7: ongoing</p> <ul style="list-style-type: none"> - Drainage and flood protection Works (DD2a) is under construction with 25% completed. - O&M device (DD2b2) is for bidding in Q1/2016. - No direct effect yet on women traders since works are still under construction. However, women (and other residents) living near the project area are happy with the project. AHs were already compensated. <p>Output 8: on going</p> <ul style="list-style-type: none"> - Capacity building programs regularly conducted - Viet Tri Land Development Plan already available. Masterplan for Hung Yen Old Town may need additional studies. Dong Dang Border Gate PPP study not yet started.
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Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The project is classified category B. Potential environmental impacts of project outputs are relatively minor and can be prevented or mitigated. An initial environmental examination (IEE) was prepared for each project city. An environmental management plan is included with each IEE. The IEEs indicate that potential direct environmental impacts are mostly construction-related and thus short-lived. Environmental impacts associated with the new road developments, drainage and flood protection, infrastructure upgrading in the old town and Huu Nghi border gate facilities can be prevented or mitigated with standard construction procedures and measures.</p> <p>During project implementation, the EMPs will be implemented by the Project Implementation Units (PIUs) in conjunction with contractors under the direction of the PIUs. Project implementation support and a capacity development program will be provided for the PIUs for implementing the EMPs.</p>
Involuntary Resettlement	<p>The project is classified under involuntary resettlement category A. The project will require acquisition of approximately 97 hectares of land in the three project cities, comprising 73 hectares in Viet Tri, 17 hectares in Hung Yen and 7 hectares in Dong Dang.</p> <p>A resettlement plan was prepared for each project city to address resettlement impacts associated with the project's land acquisition requirements in compliance with ADB's Safeguard Policy Statement.</p>

Indigenous Peoples	<p>The project is classified under indigenous peoples category B. The presence of and potential activity impacts on indigenous peoples and/or ethnic minorities in the project areas have been screened. A large proportion of the people in the project area in Dong Dang are ethnic minorities who will be affected in a number of ways by the project, while there are no ethnic minorities in Viet Tri and Hung Yen.</p> <p>An ethnic minority development plan, in compliance with the Safeguard Policy Statement has been prepared to fully mitigate the risks and impacts caused to ethnic minorities in the project area in Dong Dang and to promote their participation and sharing in project benefits.</p>
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Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	<p>An estimated 425 person-months (73 international, 352 national) of consulting services are required to (i) provide technical support to ensure that project implementation will fully comply with ADB policy and operational requirements in terms of detailed designs, procurement, construction supervision, financial management, and social and environmental safeguard; (ii) design and conduct capacity strengthening programs in the areas of urban planning and management, public infrastructure planning and implementation, financial management, and environmental management; (iii) help local communities increase awareness of public health, environmental management, and traffic safety; and (iv) assist in analytical studies on specific topics including a long-term residential land development plan for Viet Tri, a detailed master plan for the old town in Hung Yen focusing on the overall management, legal aspects, and infrastructure planning, and potential for public-private partnership (PPP) at the Huu Nghi border gate facilities in Dong Dang. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality:cost ratio of 90:10.</p>
Procurement	<p>All procurement of goods and works will be in accordance with ADB's Procurement Guidelines. Civil works will be procured through international competitive bidding (ICB) procedures for packages exceeding \$5,000,000 equivalent, and through national competitive bidding (NCB) procedures acceptable to ADB for packages up to and including \$5,000,000 equivalent. Goods will be procured through ICB procedures for packages exceeding \$500,000 equivalent, and through NCB procedures acceptable to ADB for packages up to and including \$500,000 equivalent. For packages of \$100,000 equivalent or less, shopping may be used.</p>

Responsible Staff

Responsible ADB Officer	Do, Hoang Nhat
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<p><i>Provincial People's Committee of Lang Son 2 Hong Vuong Road Chi Lang Ward, Lang Son City Viet Nam</i></p> <p><i>Provincial People's Committee of Hung Yen 10 CHua Chuong, Hung Yen City Hung Yen Province Viet Nam</i></p> <p><i>Provincial People's Committee of Phu Tho 1166 Hung Vuong Tien Cat Ward, Viet Tri Viet Nam</i></p>

Timetable

Concept Clearance	12 Apr 2010
Fact Finding	09 May 2011 to 20 May 2011
MRM	11 Aug 2011
Approval	08 Dec 2011
Last Review Mission	-
Last PDS Update	31 Mar 2016

Loan 2826-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

08 Dec 2011

09 Mar 2012

10 Jul 2012

30 Jun 2017

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Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	101.81	Cumulative Contract Awards			
ADB	70.00	08 Dec 2011	61.74	0.00	97%
Counterpart	31.81	Cumulative Disbursements			
Cofinancing	0.00	08 Dec 2011	38.44	0.00	61%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	-	Satisfactory	-	-

Project Page <http://www.adb.org/projects/41462-013/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=41462-013>

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