



Viet Nam: Climate Resilient Urban Services Project – Tham Luong Ben Cat

Project Name	Climate Resilient Urban Services Project – Tham Luong Ben Cat				
Project Number	50107-002				
Country / Economy	Viet Nam				
Project Status	Proposed				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"><tr><td>Loan: Ho Chi Minh City Climate Resilient Urban Services Project</td><td></td></tr><tr><td>Ordinary capital resources</td><td>US\$ 287.70 million</td></tr></table>	Loan: Ho Chi Minh City Climate Resilient Urban Services Project		Ordinary capital resources	US\$ 287.70 million
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Ordinary capital resources	US\$ 287.70 million				
Operational Priorities	OP4: Making cities more livable				
Sector / Subsector	Water and other urban infrastructure and services / Urban flood protection - Urban policy, institutional and capacity development - Urban sanitation - Urban sewerage				
Gender					
Description	<p>The project will support Ho Chi Minh City People's Committee and their government to finance sound wastewater and drainage system in the remaining catchments, thereby strengthening its foundation as the socioeconomic growth pole of southern Viet Nam. The impact of the project will be improved surface water quality and drainage capacity in HCMC. The outcome will be increased wastewater and drainage collection and treatment capacity in key catchments in HCMC. Project outputs will (i) upgrade the existing combined sewer system with interceptors; (ii) construct new separate sewer pipeline systems for storm run-off and sewage, and advanced centralized wastewater treatment plants; (iii) strengthen septage management of household septic tanks by a developing desludge and collection scheme with appropriate equipment and vehicles; and (iv) capacity building and institutional strengthening of the implementing agency for medium- and long-term strategic planning for sewage and drainage, and asset construction and management skills including private sector participation, the operating agencies for operation and maintenance and climate resilient disaster management planning, and the local people for awareness raising.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Ho Chi Minh City (HCMC), the largest city in Viet Nam with 8.0 million inhabitants, is the center of Viet Nam's economic activity, contributing 27% of the national gross domestic product (GDP) in 2014. Under the central government's long-term strategic vision of Socio-Economic Development Strategy (SEDS), 2011-2020 and its 5-year Socio-Economic Development Plans (SEDP), HCMC will remain the main engine of Viet Nam's urbanization and industrialization with its higher GDP growth rate over the national average.</p> <p>While HCMC's growth has been underpinned by investments on basic urban infrastructure and improved water supply system, its development stands at a turning point. Weak wastewater and drainage system has become a clear bottleneck as surface water quality of inland canals and rivers has been rapidly deteriorated, raising serious public health and environmental concerns. In HCMC, the country's typical sector problems occur at the largest scale: (i) a sewer network coverage has little improved from 12% in 1997, with only 50-80% user connections even in the central districts; (ii) a sewer network predominantly uses combined collection system of sewer and storm water; (iii) only two out of twelve existing drainage catchments have the centralized wastewater treatment plants, treating less than 10% of city's domestic wastewater or only 14% of the water supplied in HCMC; and (iv) about 80% of households still rely on septic tanks with many lacking proper septage management. HCMC's low lying terrain adds technical complexities to the system adopting gravity flow for collection and transportation. Although the key regulations came into force on clarifying ownership and responsibilities of wastewater and drainage assets, and promoting financial cost recovery, weak financial basis of local governments and lack of their institutional capacity to implement the regulation cause a spiral of technical, financial and market failures in sector performance.</p> <p>Viet Nam's vulnerability to climate change further exacerbates the problem. HCMC is one of the 10 cities in the world likely to confront the early impacts of climate change. The projected sea-level rise of 33 centimeters (cm) by 2050 and 100 cm by 2100 is alarming for HCMC, where 40-45% of the central districts are within 100 cm above sea-level. By 2050, twelve out of 14 wastewater related facilities will be inundated in regular flood events. The city's wastewater and drainage system faces challenges of rising sea-level and enhanced storm surges to control floods and mitigate sewage backflow.</p> <p>Since 1998, \$1.1 billion (in 2005 constant price) has been provided by the government of Belgium, Japan International Cooperation Agency (JICA) and the World Bank to upgrade the wastewater and drainage system in HCMC. Their interventions have been individually effective, but less coordinated. Many catchments are still left out from the support. The city's construction Master Plan does not recognize climate risk appropriately. A large financial gap must be filled by rationalized investment planning that effectively mobilizes public and private funds.</p>				
Impact	Livability and climate resilience in Ho Chi Minh City improved				
Outcome	Wastewater and drainage collection, treatment and management capacities in key HCMC catchments improved				
Outputs	<ol style="list-style-type: none">Existing combined sewer system upgraded with interceptorsNew pipeline system for storm run-off and sewage, and advanced centralized wastewater treatment plants constructedSeptage management of household septic tanks implementedCapacity of implementing agencies and public awareness on sanitation enhanced				
Geographical Location					
Safeguard Categories					
Environment	B				
Involuntary Resettlement	A				
Indigenous Peoples	C				
Summary of Environmental and Social Aspects					
Environmental Aspects	The project preparation started from March 2018.				
Involuntary Resettlement	The project preparation started from March 2018.				
Indigenous Peoples	The project preparation started from March 2018.				
Stakeholder Communication, Participation, and Consultation					

During Project Design The project preparation started from March 2018.

During Project Implementation The project preparation started from March 2018.

Business Opportunities

Consulting Services Procurement is classified as category B. During implementation of the project preparatory technical assistance (PPTA), capacity gaps, risks, and relevant mitigating measures will be identified in relation to project-based financial management, procurement, and anticorruption policies of the executing and implementing agencies in accordance with ADB guidelines.

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Responsible ADB Officer	Nash, Alexander D.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Urban Development and Water Division, SERD
Executing Agencies	Ho Chi Minh City People's Committee

Timetable

Concept Clearance	14 Oct 2016
Fact Finding	14 Aug 2022 to 18 Aug 2022
MRM	06 Oct 2022
Approval	-
Last Review Mission	-
Last PDS Update	27 Mar 2018

Project Page	https://www.adb.org/projects/50107-002/main
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