



# Viet Nam: Secondary Green Cities Development Project

Project Name	Secondary Green Cities Development Project																								
Project Number	47274-003																								
Country / Economy	Viet Nam																								
Project Status	Active																								
Project Type / Modality of Assistance	Grant Loan Technical Assistance																								
Source of Funding / Amount	<table><tr><td colspan="2">Grant 0549-VIE: Secondary Green Cities Development Project</td></tr><tr><td>Global Environment Facility Grant</td><td>US\$ 2.00 million</td></tr><tr><td colspan="2">Grant 0550-VIE: Secondary Green Cities Development Project</td></tr><tr><td>Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility</td><td>US\$ 4.00 million</td></tr><tr><td colspan="2">Loan 3590-VIE: Secondary Green Cities Development Project</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 50.00 million</td></tr><tr><td colspan="2">Loan 3591-VIE: Secondary Green Cities Development Project</td></tr><tr><td>Concessional ordinary capital resources lending</td><td>US\$ 120.00 million</td></tr><tr><td colspan="2">TA 9417-VIE: Mainstreaming Climate Resilience and Environmental Protection for Secondary Green Cities Development</td></tr><tr><td>Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility</td><td>US\$ 2.00 million</td></tr><tr><td>Global Environment Facility</td><td>US\$ 6.26 million</td></tr><tr><td>GEF-Special Climate Change Fund</td><td>US\$ 4.57 million</td></tr></table>	Grant 0549-VIE: Secondary Green Cities Development Project		Global Environment Facility Grant	US\$ 2.00 million	Grant 0550-VIE: Secondary Green Cities Development Project		Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility	US\$ 4.00 million	Loan 3590-VIE: Secondary Green Cities Development Project		Ordinary capital resources	US\$ 50.00 million	Loan 3591-VIE: Secondary Green Cities Development Project		Concessional ordinary capital resources lending	US\$ 120.00 million	TA 9417-VIE: Mainstreaming Climate Resilience and Environmental Protection for Secondary Green Cities Development		Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility	US\$ 2.00 million	Global Environment Facility	US\$ 6.26 million	GEF-Special Climate Change Fund	US\$ 4.57 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth																								
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Partnerships																								
Sector / Subsector	Transport / Urban roads and traffic management Water and other urban infrastructure and services / Other urban services - Urban flood protection - Urban policy, institutional and capacity development - Urban sanitation - Urban water supply																								
Gender	Effective gender mainstreaming																								
Description	The project will demonstrate economically competitive, environmentally sustainable and socially inclusive development for Vinh Yen city (Vinh Yen), Hue city (Hue) and Ha Giang city (Ha Giang) of Viet Nam. The project cities' green and climate resilient development approaches will be scaled up for nationwide green secondary city development in Viet Nam.																								
Project Rationale and Linkage to Country/Regional Strategy	<p>In 2015, Viet Nam's rapid urbanization enables cities to provide home to more than a third of the total population, i.e. 31.1 million people, and contribute to approximately 70% of national gross domestic product of \$191.5 billion (\$2,109 per capita). This was driven by a structural shift from agriculture to industry and services. The quality of urbanization in the country, however, is uneven. Compared to the first-tier five centrally-administered cities, development of secondary cities is significantly lagging behind. Less than 60% of secondary cities' households are connected to the water supply systems and many do not have 24-hour supply. Only 10% of their urban wastewater is treated by a centralized system before discharging to the environment. Urban flooding stems from poor management of storm water to cope with increasing extreme weather events. Urban road network lacks its connectivity to accommodate increasing number of vehicles, while fails to promote greener mode of transportation. Development of secondary cities is an emerging challenge to support the country's next phase of development through: (i) providing job opportunities and livable environment for rural migrants; (ii) boosting local economy and closing income disparities by incubation of middle income groups; and (iii) promoting a domestic demand-driven economy.</p> <p>The Viet Nam's Socio-Economic Development Strategy, 2011-2020 emphasized the need to sustain the rate of its economic growth while achieving social inclusiveness and environmental protection. This has led to the formulation of the National Program on Urban Development, 2012-2020, that requires efficient, sustainable and equitable urbanization. However, secondary cities face limited financial resources and constrained local investment due to limited basic urban infrastructures and services. Provision development still needs to rely heavily on public investments because limited size and coverage cannot support economies of scale, and insufficient cost recovery. Their limited capacity to plan, design and prioritize investments also prevents efficient use of public funds and application of innovative ideas.</p> <p>In 2013, Asian Development Bank (ADB) started a policy dialogue with the Vietnamese government by providing a capacity development technical assistance (CDTA) to support secondary cities for balancing economic growth and environmental sustainability to guide urbanization process. The technical assistance selected Vinh Yen and Hue whose government expressed strong commitments. Ha Giang was added thereby 3 cities collectively represent different socio-economic characteristics, development constraints, sector priorities and geographical locations. In 2014-2015, a "GrEEEn" city action plan (GCAP) for each city was completed and endorsed by the government to mainstream an integrated urban planning incorporating climate change adaptation and mitigation, prioritize investments and propose greener solutions.</p>																								
Impact	The project is aligned with the following impacts: improved efficiency, sustainability, and equitability of secondary cities development in Viet Nam.																								
Project Outcome																									
Description of Outcome	Environmental sustainability, inclusiveness, and climate resilience of Ha Giang, Hue, and Vinh Yen strengthened																								

Progress Toward Outcome	<p>Ha Giang PMU: ADB approved the PPC's request for IA change from the Project Management Unit (PMU) under Ha Giang City People's Committee to the Program Coordination Office, Commodity Oriented Poverty Reduction Program (CPRP), under Ha Giang Province (Ha Giang PCO) on 08 April 2022. The handover has just been completed recently.L.3591: The contract for the construction supervision consultants in Ha Giang (HG-CS01) was signed on 12 May 2021. The consultant was on board to support PMU, however in Ha Giang no major progress has been made since December 2021, out of total 7 packages: 3 packages were awarded; 3 BERs are being finalized by PMU. The last package HG-CW05 is expected to be procured in Q1/2023. The procurement progress in Ha Giang is seriously impacted by the slow land acquisition process and design changes resulting from land acquisition constraints. BERs of several packages have been finalized but the PMU has been unable to proceed to contract signing due to the unavailability of the Resettlement Plans. Resettlement cost overruns are currently delaying the project, but with some technical scope changes the resettlement costs could be brought to 190bn VND for the whole project, or 132.8bn VND more than the allocated budget (63bn VND). The payment issues for the consultant under HG-CS01 has now been pending for more than a year. Currently, most consultants under HG-CS01 were demobilized and the new PMU is now still discussing with HG PPC on solutions.G. 0549: The contract is expected to be signed in Q4 2022. The international advisor on smart lighting will be on board to support the PMU in November 2022.Hue and Vinh Yen are progressing as planned.</p>
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Implementation Progress	
Description of Project Outputs	Green and resilient urban infrastructure services in Vinh Yen improved Green and resilient urban infrastructure services in Hue improved Green and resilient urban infrastructure services in Ha Giang improved
Status of Implementation Progress (Outputs, Activities, and Issues)	not yet due not yet due not yet due not yet due not yet due not yet due On-going. Training on green design and NBS was conducted in November 2021. A resource person from Ramboll team was engaged to delivered the training for contractors and PMU staff On going. Procurement Training: VRM provided general procurement and e-procurement training during Inception Mission (20-21 Nov 2018) and 8-9 Jan 2019. not yet due not yet due not yet due not yet due. Bidding process is on going. not yet due. On going. Procurement Training: VRM provided general procurement and e-procurement training during Inception Mission (20-21 Nov 2018) and 8-9 Jan 2019. Not yet due Not yet due Not yet due Not yet due Not yet due Not yet due Not yet due On-going. Procurement Training: VRM provided general procurement and e-procurement training during Inception Mission (20-21 Nov 2018) and 8-9 Jan 2019.
Geographical Location	Hue, Tinh Ha Giang, Vinh Yen

Safeguard Categories	
Environment	B
Involuntary Resettlement	A
Indigenous Peoples	B

Summary of Environmental and Social Aspects
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Responsible ADB Officer	Nguyen, Binh My
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission (VRM)
Executing Agencies	<u>Provincial People's Committee of Thua Thien Hue Province</u> <u>Provincial Peoples Committee of Ha Giang Province</u> <u>Provincial Peoples Committee Vinh Phuc</u>

Timetable	
Concept Clearance	27 Jun 2014
Fact Finding	26 Feb 2016 to 18 Mar 2016
MRM	25 May 2017
Approval	31 Oct 2017
Last Review Mission	-
Last PDS Update	25 Oct 2022

## Grant 0549-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
31 Oct 2017	29 Jun 2018	26 Dec 2018	30 Jun 2024	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	49.87	Cumulative Contract Awards			
ADB	0.00	23 Feb 2024	0.00	0.00	0%
Counterpart	47.87	Cumulative Disbursements			
Cofinancing	2.00	23 Feb 2024	0.00	0.00	0%



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

Project Page	<a href="https://www.adb.org/projects/47274-003/main">https://www.adb.org/projects/47274-003/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=47274-003">http://www.adb.org/forms/request-information-form?subject=47274-003</a>
Date Generated	08 March 2024

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