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

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Comprehensive Socioeconomic Urban Development Project in Viet Tri, Hung Yen and Dong Dang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number</td>
<td>41462-013</td>
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<tr>
<td>Country</td>
<td>Viet Nam</td>
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<tr>
<td>Project Status</td>
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<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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<td>Source of Funding / Amount</td>
<td>Loan 2826-VIE: Comprehensive Socio-economic Development of Selected Cities (Viet Tri, Hung Yen and Dong Dang) US$ 70.00 million</td>
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<tr>
<td></td>
<td>Loan: Comprehensive Socioeconomic Urban Development Project - Viet Tri, Hung Yen and Dong Dang</td>
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<tr>
<td></td>
<td>Korea Exim Bank</td>
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<tr>
<td></td>
<td>US$ 13.52 million</td>
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</tbody>
</table>

### 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 NSEC 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

### Project Outcome

### Description of Outcome
Improved urban infrastructure and municipal services in Viet Tri, Hung Yen, and Dong Dang

### Progress Toward Outcome
Outcome likely to be achieved. All outputs under ADB financing have been achieved by loan closing date of 30 June 2017. One output under KEXIM financing (wastewater treatment plant and associated network) will be achieved by 31 January 2020.

### Implementation Progress
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 Nhi border gate facilities improved.
7. (Dong Dang) Improved drainage and flood protection.
8. (Dong Dang) Strengthened efficiency and management capacity of local authorities.

All activities under ADB loan completed by 30 June 2017. The wastewater treatment plant and associated network under KEXIM loan is ongoing and expected to complete by 31 July 2019.

Don Dang, Hung Yen, Huu Nhi, Tinh Phu Tho, Viet Tri, Xa Thuy Van

Environmental Aspects
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 Nhi border gate facilities can be prevented or mitigated with standard construction procedures and measures.

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.

Involuntary Resettlement
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.

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.

Indigenous Peoples
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.

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.

Stakeholder Communication, Participation, and Consultation
During Project Design All stakeholders have been consulted and participated actively during project design.
During Project Implementation Good communication being maintained with concerned stakeholders during project implementation.

Business Opportunities
Consulting Services 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 Nhi 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.

Procurement 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, shops may be used.

Huu Nhi border gate facilities can be prevented or mitigated with standard construction procedures and measures.

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## Loan 2826-VIE

### Milestones

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### Financing Plan

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### Status of Covenants

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**Project Page**  

**Request for Information**  

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