Viet Nam: Sustainable Urban Transport for Ho Chi Minh Mass Rapid Transit Line 2

**Project Name**: Sustainable Urban Transport for Ho Chi Minh Mass Rapid Transit Line 2

**Project Number**: 45200-002

**Country**: Viet Nam

**Project Status**: Active

**Project Type / Modality of Assistance**: Loan

**Source of Funding / Amount**:
- Loan 3113-VIE: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2
  - concessional ordinary capital resources lending / Asian Development Fund
  - US$ 10.00 million
- Loan 8279-VIE: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2
  - Clean Technology Fund
  - US$ 48.95 million

**Strategic Agendas**:
- Environmentally sustainable growth
- Inclusive economic growth

**Drivers of Change**:
- Governance and capacity development
- Knowledge solutions
- Partnerships

**Sector / Subsector**: Transport - Urban public transport

**Gender Equity and Mainstreaming**: Effective gender mainstreaming

**Description**:
The Project will develop an integrated public transport system in six districts of Ho Chi Minh City (HCMC) that will support effective utilization of HCMC Urban Mass Rapid Transit (MRT) Line 2. Improved public transport will facilitate connectivity and greatly enhance access to transport services in five districts of HCMC, as well as support the HCMC Urban Transport Master Plan (HUTMP) objective of increasing public transport usage to over 40% of demand and reducing dependency on private vehicles.

The Project will provide infrastructure for improving accessibility to MRT2 stations, implement feeder bus links, integrated multi-modal stations with "park and ride" facilities where appropriate, infrastructure for improving accessibility to MRT2 stations as well as a parking plan for the city. Project management and institutional capacity building measures, together with expected policy and regulatory reforms, will also help achieve an improved public transport system and reduce GHG emissions. The project components, public transport services and other facilities will be designed to incorporate gender sensitive features that will compliment similar measures under the MRT2 project.

**Project Rationale and Linkage to Country/Regional Strategy**:
The Government of Viet Nam is planning major public transport infrastructure investments intended to induce a substantive modal shift from private transport to public transport modes. Currently three MRT lines are being prepared in HCMC, with all expecting to be operating by 2020. The Viet Nam Socio-Economic Development Plan for 2011-2015 supports transport sector investment to promote economic growth and protect the environment through a low carbon growth path. ADB's Viet Nam Country Strategy and Program 2012-2015 supports the Government's program to improve urban transport infrastructure and reduce transportation costs.

HCMC is moving into the higher growth period of transport urbanization, shifting increasingly from heavy usage of motorcycles to cars. Private vehicles dominate urban transportation, with motorcycles being the most prevalent means at about 85% share. High private vehicle usage has resulted in severe congestion; with many major routes have travel speeds below 10 kilometers per hour and poor road safety. The situation is worsening, with transport growth around 10% and more motorbike owners convert to cars. The existing public transport system consists of a badly integrated bus network that cannot compete with private transport modes. Traffic planning and management is weak and inadequate to effectively control traffic and discourages public transport. Importantly, there are no policy and regulatory measures to reduce private transport modes nor is there an attractive public transport system that can attract people using private vehicles.

HCMC People's Committee (HCMC PC) plans to develop in a MRT system with the first stage of three metro lines under implementation. In order to make the MRT lines viable, there is a need to design complimentary measures to ensure an integrated public transport system that is attractive, accessible and affordable. The Project will directly support integration of MRT2 as part of a multimodal, environmental friendly transport system to attract passengers from using individual private vehicles to urban public transport services to promote inclusive low carbon transport thus reducing greenhouse gas emissions and other environmental pollutions.

**Impact**:
Enhanced public transport system serving six districts of HCMC

**Project Outcome**

**Description of Outcome**:
Improved integration of MRT Line 2 stations with other modes of public and private transport.

**Progress Toward Outcome**:
Preparation of consulting services ongoing with substantial delay due to the delay of the parent MRT2 Project.

**Implementation Progress**

**Description of Project Outputs**:
- MRT Line 2 station access improved
- Public transport information system established
- Public transport policy and systems developed

**Status of Implementation Progress (Outputs, Activities, and Issues)**:
- Not yet due
- Not yet due
- Not yet due

**Geographical Location**:
- Quan Ba, Quan Mot, Quan Muoi, Quan Muoi Hai, Quan Tan Binh, Tan Phu

**Safeguard Categories**
<table>
<thead>
<tr>
<th>Environment</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>B</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>C</td>
</tr>
</tbody>
</table>

**Summary of Environmental and Social Aspects**

**Environmental Aspects**

The project is assessed as category B for environment.

The draft initial environmental examination and social assessment has been prepared based on ADB’s Safeguard Policy Statement, has been reviewed by ADB and is being revised. The approved initial environmental examination will be disclosed on the ADB website upon receipt from the HCMC People’s Committee.

No natural ecosystems exist in the project area, which is heavily populated. Land use is predominantly commercial or residential. The project will not involve major civil works and is not likely to result to significant adverse environmental impacts during construction and operation. Public consultations with affected people were conducted during preparation of the initial environmental examination, in compliance with ADB’s information disclosure and consultation requirements. The implementing agency will ensure that the environmental management plan is included in all bid documents.

A grievance redress mechanism will be established prior to commencement of site works. The construction supervision consultant will conduct environmental management training for implementing agency in monitoring and reporting and help monitor the environmental performance of contractors.

**Involuntary Resettlement**

The project is assessed as category B for involuntary resettlement.

The draft resettlement plan was posted on the ADB website on 1 August 2013 and will be updated following detailed design. Affected businesses will be provided with compensation at replacement cost and transitional and relocation assistance. One workshop and nine consultation meetings in which 283 affected business owners and employees participated were conducted in December 2012, January 2013, March 2013 and July 2013. The meetings provided an overview of the project and outlined key elements of the resettlement plan, such as anticipated impacts, mitigation measures, entitlements, consultation, and the grievance redress mechanism. In July 2013, key information from the draft resettlement plan was disclosed to all 65 affected business establishments. The agreed resettlement plan will be made available in the district offices and on ADB’s website. All social monitoring reports will be disclosed.

**Indigenous Peoples**

The project is assessed as category C for indigenous peoples’ safeguards.

Due diligence has confirmed that there are no ethnic minority communities in the project area.

**Stakeholder Communication, Participation, and Consultation**

**During Project Design**

Women, students, children, and older people are more inclined to use public transport than other social groups and are expected to benefit the most from the improved transportation services and lower costs. The Women’s Union has been identified as the focal point to guide the development of gender-sensitive measures. Through government community awareness program under the MRT Line 2 Project, extensive public communications about this project will be made available in a timely manner to ensure that all stakeholders and interested civil society organizations can effectively participate in the consultations and meetings to be conducted.

**During Project Implementation**

ADB, Department of Transport, UTMD1, and relevant authorities of HCMC People’s Committee have been periodically discussing the project scope and implementation schedule and arrangement while reviewing ongoing and future activities and the progress of the MRT Line 2 Project.

**Business Opportunities**

**Consulting Services**

International and local consulting services to support design, supervision and project management, as well as to undertake bus management and urban transport policy studies

Five consulting service packages:
- CS01: Survey, Design and Supervision
- CS02: Transport and Traffic management modeling
- CS03: Development of a Bus Information System (BIS)/Bus Management System (BMS) Centre
- CS04: Urban transport sector development and project management support
- CS05: External Financial Audit

**Procurement**

Civil works and equipment related to public transport facilities and services

Four civil works and one equipment packages:
- CP01: Infrastructure and parking
- CP02: Bus infrastructure, entrance and landscaping
- CP03: Traffic Management
- CP04: Subway and footbridge
- EQ01: Accessibility improvement and public transport measures

**Responsible ADB Officer**

Daisuke Mizusawa

**Responsible ADB Department**

Southeast Asia Department

**Responsible ADB Division**

Viet Nam Resident Mission

**Executing Agencies**

Ho Chi Minh City People’s Committee

**Environment District 1, Ho Chi Minh City**

86 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City Viet Nam

**Timetable**

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Clearance</td>
<td>18 Oct 2011</td>
</tr>
<tr>
<td>Fact Finding</td>
<td>09 Jul 2013 to 16 Jul 2013</td>
</tr>
<tr>
<td>Approval</td>
<td>02 Aug 2013</td>
</tr>
<tr>
<td>Last Review Mission</td>
<td>20 Feb 2014</td>
</tr>
<tr>
<td>Last PDV Update</td>
<td>20 Sep 2018</td>
</tr>
</tbody>
</table>

**Loan 3113-VIE**
### Loan 8279-VIE

#### Milestones

<table>
<thead>
<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
</tr>
</thead>
</table>

#### Financing Plan

<table>
<thead>
<tr>
<th>Project Cost</th>
<th>Total (Amount in US$ million)</th>
<th>Date</th>
<th>ADB</th>
<th>Others</th>
<th>Net Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>16.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counterpart</td>
<td>10.00</td>
<td>20 Feb 2014</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>6.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td>20 Feb 2014</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Status of Covenants

<table>
<thead>
<tr>
<th>Category</th>
<th>Sector</th>
<th>Safeguards</th>
<th>Social</th>
<th>Financial</th>
<th>Economic</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>Satisfactory</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Loan 8279-VIE

#### Milestones

<table>
<thead>
<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
</tr>
</thead>
</table>

#### Financing Plan

<table>
<thead>
<tr>
<th>Project Cost</th>
<th>Total (Amount in US$ million)</th>
<th>Date</th>
<th>ADB</th>
<th>Others</th>
<th>Net Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>48.95</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counterpart</td>
<td>0.00</td>
<td>20 Feb 2014</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>48.95</td>
<td>20 Feb 2014</td>
<td>0.00</td>
<td>0.43</td>
<td>1%</td>
</tr>
</tbody>
</table>

#### Status of Covenants

<table>
<thead>
<tr>
<th>Category</th>
<th>Sector</th>
<th>Safeguards</th>
<th>Social</th>
<th>Financial</th>
<th>Economic</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>Satisfactory</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


Date Generated 13 August 2019

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided “as is” without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.