Viet Nam: Second Greater Mekong Subregion Corridor Towns Development Project

**Project Name**: Second Greater Mekong Subregion Corridor Towns Development Project

**Project Number**: 46443-004

**Country**: Viet Nam

**Project Status**: Active

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

**Source of Funding / Amount**: Concessional ordinary capital resources lending / Asian Development Fund

**US$ 100.00 million**

**Strategic Agendas**
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

**Drivers of Change**
- Governance and capacity development
- Knowledge solutions
- Private sector development

**Sector / Subsector**
- Water and other urban infrastructure and services
- Other urban services
- Renovation and protection of cultural heritage
- Urban flood protection
- Urban sewerage

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

**Description**
The Second Greater Mekong Subregion (GMS) Corridor Towns Development Project (the project) represents the second phase of the ongoing GMS Corridor Towns Development Project in Cambodia, Lao PDR, and Viet Nam. It supports the first four strategic thrusts of the GMS Strategic Framework 2012-2022 namely (i) strengthening infrastructure linkages; (ii) facilitating cross-border trade, investment, and tourism; (iii) enhancing private sector participation and competitiveness; and (iv) developing human resources. The focus on corridor town development follows an approach that will maximize the economic benefits of increased trade and traffic flows along the major transport corridors in the GMS with the expected positive impacts resulting from accelerated investments in strategically located towns and cities, and added value on economic growth through development oriented on green growth and climate resilience. The objective is to strengthen competitiveness of the GMS economic corridors through environmental infrastructure.

**Project Rationale and Linkage to Country/Regional Strategy**
The towns of Bac Giang, Mong Cai and Sa Pa are located along the GMS North-South Economic Corridor, on the eastern branch that links Lao PDR with China, Thailand and Myanmar, and another which links Hanoi to the cities of Kunming and Nanning in the PRC. Bac Giang is the administrative capital of Bac Giang province, and is located about 50 km northeast of Hanoi. The city has a number of development and investment fundamentals in its favor; primarily its strategic location in key transport corridors linking centers of population and ports together and providing access to larger markets, principally into PRC and within the Hanoi capital region. Mong Cai is a cross border town opposite of Dongxing town, Guangxi Province, PRC. The economic base of Mong Cai is characterized by a typical border town economy comprising of trade and services and shows a rapidly expanding economy and significant levels of urbanization. Sa Pa is a small town located about 35 km from Lao Cai City. Sa Pa is an international tourist center and highland agricultural area, where strategic corridor investments in transport infrastructure are placing increasing development pressures on the high quality mountain landscapes and cultural diversity of the predominantly ethnic minority populations. The project is in line with the ADB Country Partnership Strategy for Viet Nam; ADB's Urban Operational Plan; the GrEEn Cities Approach, which has been piloted in several cities in Viet Nam, Thailand, Myanmar, Malaysia, and Indonesia; ADB's Water Operational Plan; the GMS Strategic Framework; and the GMS Regional Investment Framework Implementation Plan (2014-2018). The towns under this project were selected and prioritized under the GMS Regional Investment Framework.

**Impact**
Economic, sociocultural, and environmental development in the three towns of Bac Giang, Mong Cai, and Sa Pa, improved, contributing to making Viet Nam a modern, industrial country. (Socio-economic Development Strategy, 2011-2020.)

**Project Outcome**

**Description of Outcome**: Improved urban services in the three participating towns.

**Progress Toward Outcome**: PISC is supporting Bac Giang and Mong Cai to recruit capacity building consultant. Lao Cai's capacity building consultant has been mobilized.

**Implementation Progress**

**Description of Project Outputs**
- SLEDPs developed and approved
- Priority urban infrastructure investments implemented
- Institutional capacities for managing public investments strengthened
- Community awareness on project activities and environmental sustainability improved
## Status of Implementation Progress (Outputs, Activities, and Issues)

Not yet started. Recruitment of capacity building consultants to support these activities on-going in Bac Giang and Mong Cai. Lao Cai is in inception phase.

SLEDPs for Lao Cai and Bac Giang were approved.
SLEDP for Mong Cai was appraised, awaiting PPC approval.

Recruitment of consulting services is on-going
DD of WWTP is on-going.
Construction just started.

(MC1 and MC2)
To be assessed in the next project quarterly report based on detailed designs.
To be assessed in the next project quarterly report based on DD.
Requirements relating to unskilled laborers were included in the Specific Conditions of Contracts. Monitoring compliance to be done.

To be assessed in the next project quarterly report based on DD.
SP1 package is under bid submission.
Based on DD, the target is achieved. Construction just started (MC1 and MC2), MC3 is under procurement.
Contract was awarded.
construction starts in Q2/2018
Contract was awarded.
20 PMU staff (of which 55% are female) were trained.
6 PMU staff were trained on gender aspects.
45% PMUs' staff are female and 38% PMUs staff holding position making decisions are female.

## Geographical Location

| Geographical Location | Nation-wide |

## Safeguard Categories

| Environment | B |
| Involuntary Resettlement | A |
| Indigenous Peoples | B |

## Summary of Environmental and Social Aspects

### Environmental Aspects

The project is classified as Category B for environment in accordance with the ADB’s safeguards policy statement (SPS) 2009. One initial environmental examination (IEE) report and three environmental management plans (EMPs) (one per town) have been prepared.

### Involuntary Resettlement

The safeguard category for involuntary resettlement is B. Two resettlement plan (RPs), one for Bac Giang and one for Mong Cai, are prepared for those components which will trigger land acquisition and resettlement (LAR) impacts. One resettlement and ethnic minority development plan (REMDP) is prepared for Sa Pa, as Indigenous People safeguards are triggered but limited to LAR and is category B.

### Indigenous Peoples

For the Sa Pa subproject, indigenous peoples safeguards are triggered but limited to land acquisition and hence a resettlement, ethnic minority and development plan (REMDP) will be prepared in accordance with the requirements of the SPS (2009). The IP safeguard category is B.

## Stakeholder Communication, Participation, and Consultation

### During Project Design

The Provincial People’s Committees (PPCs) of Bac Giang, Lao Cai and Quang Ninh are the EAs which will oversee project activities in each of the three towns. Additionally, the PPC in Bac Giang Province is designated as the lead executing agency to coordinate among all PPCs on institutional management, project implementation and reporting.

Project management units (PMUs) will be established in each EA to undertake the day-to-day management of subprojects, including the procurement of civil works and goods. As lead EA, the PMU in Bac Giang will be responsible for consultant selection for project implementation and management support; and act as coordinator between the project cities and the concerned central government agencies for project implementation. Each of the three EAs will hire consultants for detailed design, construction supervision and capacity development; and carry out procurement for their respective civil works and goods contracts. The EA in Lao Cai (Sa Pa Town) will be responsible for consultant selection for GCAP preparation. A project coordination unit (PCU) will be established within Bac Giang PMU to support the day-to-day coordination and liaison work among the three PMUs. The City People’s Committees (CPCs) in Bac Giang and Mong Cai, and Lao Cai Department of Planning and Investment in Sa Pa will be the Implementing Agencies (IAs) which will coordinate and monitor the activities of the PMUs.

## Responsible ADB Officer

Nguyen, Binh My

## Responsible ADB Department

Southeast Asia Department

## Responsible ADB Division

Viet Nam Resident Mission

## Executing Agencies

Bac Giang Provincial People's Committee
Bac Giang, Viet Nam
Lao Cai Provincial People’s Committee
CONTACT UBNB@LAOCAI.GOV.VN
Tran Hung Dao Avenue, Nam Cusing Ward, Lao Cai City, Lao Cai Province
People’s Committee
Vietnam
Quang Ninh Provincial People’s Committee
VPHNND@QUANGNINH.GOV.VN
Administration Building No. 2, Hong Ha Commune, Ha Long City

## Timetable

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<tr>
<th>Milestone</th>
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<tbody>
<tr>
<td>Concept Clearance</td>
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<tr>
<td>Fact Finding</td>
<td>05 Jun 2015 to 10 Jun 2015</td>
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<td>MRM</td>
<td>18 Aug 2015</td>
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<td>Approval</td>
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<td>Last Review Mission</td>
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<td>Last PDS Update</td>
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## Loan 3353-VIE
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### Financing Plan

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### Status of Covenants

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**Project Page**: https://www.adb.org/projects/46443-004/main

**Request for Information**: http://www.adb.org/forms/request-information-form?subject=46443-004

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