Viet Nam: Support to Border Areas Development Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Support to Border Areas Development Project</th>
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</thead>
<tbody>
<tr>
<td>Project Number</td>
<td>48189-002</td>
</tr>
<tr>
<td>Country</td>
<td>Viet Nam</td>
</tr>
<tr>
<td>Project Status</td>
<td>Active</td>
</tr>
<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>Loan 3499-VIE: Support to Border Areas Development</td>
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<tr>
<td>Strategy</td>
<td>concesional ordinary capital resources lending / Asian Development Fund</td>
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<tr>
<td>Amount</td>
<td>US$ 106.51 million</td>
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**Strategic Agendas**
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

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

**Sector / Subsector**
- Industry and trade - Trade and services
- Transport - Road transport (non-urban)

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

**Description**
The project supports the Cambodia - Lao PDR - Viet Nam Development Triangle Area objectives of (i) facilitating the flow of goods, people, and investment capital; and (ii) accelerating economic growth within the five Viet Nam Development Triangle Area (VDTA) provinces of Binh Phuoc, Dak Lak, Dak Nong, Gia Lai, and Kon Tum. The VDTA is characterized by a high concentration of ethnic minorities, low gross domestic product, and areas of persistent poverty. The key impediments to more inclusive growth are insufficient transport and other basic infrastructure, as well as limited institutional capacity. To improve the efficiency of public investment and maximize the benefits of economies of scale and synergies with ongoing or planned projects, the Government of Viet Nam is advocating an integrated area approach under which neighboring localities will work towards common development goals, gaining economies of scale, and jointly enhanced competitiveness. This approach characterizes the design philosophy of the project, which will address the key impediments to inclusive growth.

**Project Rationale and Linkage to Country/Regional Strategy**
The VDTA is the largest agricultural producer in the CLV-DTA, and its five main industrial crops are coffee, rubber, pepper, cassava, and cashew. The project supports the Cambodia - Lao PDR - Viet Nam Development Triangle Area objectives of (i) facilitating the flow of goods, people, and investment capital; and (ii) accelerating economic growth within the five Viet Nam Development Triangle Area (VDTA) provinces of Binh Phuoc, Dak Lak, Dak Nong, Gia Lai, and Kon Tum. The VDTA is characterized by a high concentration of ethnic minorities, low gross domestic product, and areas of persistent poverty. The key impediments to more inclusive growth are insufficient transport and other basic infrastructure, as well as limited institutional capacity. To improve the efficiency of public investment and maximize the benefits of economies of scale and synergies with ongoing or planned projects, the Government of Viet Nam is advocating an integrated area approach under which neighboring localities will work towards common development goals, gaining economies of scale, and jointly enhanced competitiveness. This approach characterizes the design philosophy of the project, which will address the key impediments to inclusive growth.

**Impact**
Engine and gateway within the five VDTA provinces to wider regional and international markets established.
The loan became effective on 10 August 2017 but implementation is being delayed due to the pending project inclusion in the medium-term investment plan (MTIP).

### Implementation Progress

**Description of Project Outputs**

Road infrastructure in five VDTA provinces rehabilitated

VDTA plans and facilities for transport and trade facilitation with a focus on inclusive growth developed

Institutional capacity for VDTA investment planning, project design and implementation, and resource management strengthened

**Status of Implementation Progress (Outputs, Activities, and Issues)**

Individual start-up consultants and project implementation support consultants have been mobilized in five provinces. While detailed designs for Component 1 have been substantially completed in Binh Phuoc, Dak Nong and Kon Tum, procurement of the civil works is being delayed due to the pending project inclusion in MTIP.

**Geographical Location**

Binh Phuoc, Dak Nong, Gia Lai, Kon Tum, Tinh Dak Lak

### Safeguard Categories

**Environment**

B

**Involuntary Resettlement**

B

**Indigenous Peoples**

B

### Summary of Environmental and Social Aspects

**Environmental Aspects**

The project has been ranked as category B environment, since 05 road subprojects have been ranked as category B and small tourist infrastructure subprojects have been initially ranked as category C. 05 IIEs of 05 road subprojects have been prepared and uploaded on ADBs website during project preparation. Rapid environment assessments (REAs) for small tourist infrastructures are being prepared by PPMUs and submitted to ADB to confirm, only Category C subprojects are included in the project investments. With the support from environment consultants PISC team, the updated environment management plan (uEMP) of 5 road subprojects, to update impacts in detailed designs, are being prepared.

**Involuntary Resettlement**

The project has been ranked as category B environment, since 05 road subprojects have been ranked as category B and small tourist infrastructure subprojects have been initially ranked as category C. 05 IIEs of 05 road subprojects have been prepared and uploaded on ADBs website during project preparation. Rapid environment assessments (REAs) for small tourist infrastructures are being prepared by PPMUs and submitted to ADB to confirm, only Category C subprojects are included in the project investments. With the support from environment consultants PISC team, the updated environment management plan (uEMP) of 5 road subprojects, to update impacts in detailed designs, are being prepared.

**Indigenous Peoples**

The project does not affect identity, culture, and customary livelihoods of EMs, but may cause land acquisition of EM households. Hence, Category B is proposed for IP, and any subproject/component with category A in IP will not be eligible for ADB financing. Moreover, project activities do not involve in commercial development of the cultural resources within customary lands and knowledge of EM people, so the broad community support of affected ethnic minority people communities to the project is not triggered. A combined resettlement and ethnic minority development plan has been prepared for each road Based on basic design and approved by ADB and PPC and disclosed to communities and uploaded in the ADB website.

### Stakeholder Communication, Participation, and Consultation

**During Project Design**

The Project will be designed in a consultative and participatory manner. Views and suggestions from relevant stakeholders, particularly central and provincial governments (i.e., the Ministry of Planning and Investment, Ministry of Transport, Ministry of Culture, Sports and Tourism, Provincial Peoples Committees (PPC) of the five DTA provinces), and development partners will be duly considered under the proposed Project.

**During Project Implementation**

The Project will be implemented in a consultative and participatory manner. Views and suggestions from relevant stakeholders, particularly central and provincial governments (i.e., Ministry of Planning and Investment, Ministry of Transport, Ministry of Culture, Sports and Tourism, Provincial Peoples Committees (PPC) of the five DTA provinces), and development partners will be duly considered.

### Business Opportunities

**Consulting Services**

ADB will finance: (i) construction supervision consulting services packages and (ii) external financial audit packages of 5 provinces. The selection methods are Quality- and Cost-Based Selection (QCBS) for construction supervision services and Least Cost Selection (LCS) for external financial audit services.

**Procurement**

ADB will finance: (i) 10 road upgrading packages with cost estimates vary from $7.6 million to $9.6 million per package; and (ii) 6 packages for minor civil works construction under tourism component of the project. Procurement method will be National Competitive Bidding (NCB).

### Responsible ADB Officer

Nguyen, Cuong Dinh

### Responsible ADB Department

Southeast Asia Department

### Responsible ADB Division

Viet Nam Resident Mission

### Executing Agencies

Binh Phuoc Provincial People's Committee

WEB@BINHPHUOC.GOV.VN

Road 6/1, Tan Phu Ward, Dong Xoai Town

Dak Lak Provincial People's Committee

UBND@DAKLAK.GOV.VN

09 Le Duan, Buon Ma Thuot City,

Dak Lak Province, Viet Nam

Dak Nong Provincial People's Committee

VPUBND@DAKNONG.GOV.VN

23/3 Street, Nghia Duc Ward, Gia Nghia Town, Dak Nong Province

Gia Lai Provincial People's Committee

VPUBNDTINH@GIALAI.VN

No. 2, Tran Phu Street

Kon Tum Provincial People's Committee

VPUBND@KONTUM.GOV.VN

492 Tran Phu, Kon Tum City, Kon Tum Province

### Timetable

**Concept Clearance**

19 Dec 2014

**Fact Finding**

30 May 2016 to 18 Jun 2016

**MRM**

25 Jul 2016

**Approval**

08 Dec 2016

**Last Review Mission**

- 

**Last PSD Update**

27 Sep 2018
## Loan 3499-VIE

### Milestones

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<td>08 Dec 2016</td>
<td>04 May 2017</td>
<td>10 Aug 2017</td>
<td>30 Jun 2023</td>
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### Financing Plan

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### Loan Utilization

- **ADB**: 106.51
- **Counterpart**: 15.60

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**Date Generated**: 18 May 2019

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