



Viet Nam: Ho Chi Minh City Integrated Public Transport Investment Program

Project Name	Ho Chi Minh City Integrated Public Transport Investment Program	
Project Number	48260-001	
Country	Viet Nam	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8860-VIE: Ho Chi Minh City Integrated Public Transport Investment Program	
	Technical Assistance Special Fund	US\$ 600,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Transport - Urban public transport	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The Investment Program will support the development of an efficient, integrated and sustainable public transport system for Ho Chi Minh City (HCMC) in Viet Nam. It will improve the extent and connectivity between bus systems, proposed Mass Rapid Transit (MRT) network and other modes of public and private transport, and strengthen urban transport policies and regulations in the city. By contributing to the overall public transport system, the investment program will support the objective of the HCMC's Urban Transport Master Plan (HUTMP) to increase the use of public transport and reduce dependency on private vehicles. Investments are expected to include MRT, bus rapid transit (BRT), multimodal interchange, other public transport integration and traffic works and services improvements. Support will be provided for transport planning, institutional and public transport policy reform and capacity development.	

Project Rationale and Linkage to Country/Regional Strategy

The Government of Viet Nam is planning and implementing major public transport infrastructure investments intended to induce a substantive modal shift from private transport to public transport modes. Currently two MRT lines are being prepared in HCMC and four lines in Ha Noi, with all expecting to be operating by 2020. The Viet Nam Socio-Economic Development Plan for 2011-2015 supports investment in urban public transport systems to promote economic growth and protect the environment through a low carbon growth path. ADB's Viet Nam Country Partnership Strategy 2011-2015 supports the Government's program to improve urban transport infrastructure, including the proposed investment program.

HCMC is the largest city in Viet Nam, with a greater urban area population of more than 9.0 million that is expected to grow to 13.8 million by 2025. Urban transportation is dominated by private vehicles, mostly motorcycles, which account for 85% of all vehicles. The dominance of private vehicle use, combined with an inadequate road system, creates severe congestion and low travel speeds on many routes. The city's urban transport problem is worsening as incomes rise and many Vietnamese are able to shift from motorcycles to cars.

The rapid growth of private vehicle traffic is partly due to HCMC's inadequate public transport system. Public transport meets less than 10% of total transport demand in the city and consists of a poorly integrated, inefficient bus network that cannot compete with transportation by motorcycles and cars. Poor institutional arrangements for operating bus routes and unreliable service limits ridership. In addition, bus fares are kept low through heavy government subsidies. Planning, management, and control of traffic in the city are weak, and few policies or regulations exist that seek to reduce reliance on private vehicles or encourage the use of public transit. Even the pedestrian walkways are often congested, frequently because they are obstructed by poorly regulated motorcycle parking and other unauthorized private use.

HCMC is addressing these problems through the development of a city-wide mass transit system under the HUTMP, which also seeks to reduce greenhouse gas emissions, other pollution and otherwise improve the urban environment. Two MRT lines and one BRT line are currently under development. MRT Line 2 is being financed by ADB and is expected to be operational in 2020. If an expanded public transport network is to be financially and economically viable, integrated development is needed for all modes of public transit and private vehicle transport; to ensure that it is attractive, accessible, and affordable for the city's residents.

The investment program will compliment ongoing and proposed development partner projects for the MRT, BRT and bus systems (refer footnote 4). The lessons from ongoing ADB investments in HCMC for MRT development indicate that complex projects are subject to multiple external factors, so a longer phased implementation approach is required, and associated works need to be implemented in parallel but with more flexibility in timing. Additionally, construction costs in this new subsector will have a higher degree of uncertainty until contract experience is gained and local industry capacity and skills are further developed.

The Project proposes to utilize the MFF modality to extend ADB financing to support the HUTMP, which has been assessed to be the most appropriate modality. The MFF provides the Government the secure commitment to long term financing for public transport development in order to meet HUTMP strategic objectives. This allows ADB to enter into a partnership with the HCMC PC to support the long term development of the HCMC urban transport system, which will need substantive investments for the next 20 years. Critically it provides a basis for strong ADB assistance in the development of key policy and regulatory reform. The MFF allows necessary advance action for project preparation, including documentation, prequalification and bidding to be planned where large investments are required at later project stages. Within the total financing it provides flexibility to modify the timing and amount, as well as to ensure the ADB financing can be linked to available resources within ADB and those from cofinanciers. All the conditions for use of an MFF are in place, with a strategic context, roadmap, policy framework under the HUTMP, investment program and financing plan.

Impact

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

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

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>National, city, and commune government officials, development partners, Steering Committee for poverty reduction, small business owners, affected community representatives, and relevant mass organizations (CSOs) such as Vietnam Women's Union and Youth Union. City Authorities and transport/metro implementation authority will be closely involved in the Investment Program design preparation. During implementation of the resettlement plan, individual and group consultations will be undertaken with affected people across a range of sites in urban areas. A participatory approach will be used to determine the location and design of some subproject features, such as MRT or BRT station entrance location, underpasses and other public transport accessibility measures for local communities. The ensuing project will empower poor people through provision of affordable transport service. For those with mobility impairments, the project design features will provide them with enhanced mobility compared to other forms of transport. The project design during the PPTA stage will incorporate the results of consultations with transport users from a variety of profiles, including poor and other marginalized groups, especially on issues of station and ancillary infrastructure design and fare regimes. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design? The key relevant CSOs are mass organizations, including the Women's Union, Youth Union, Fatherland Front and disability representative groups. Information generation, sharing and consultations will be held during project design.</p>
During Project Implementation	<p>TA became effective on 6 November 2015. In December 2015, ADB consulted with the implementing agencies (IAs), the Department of Transport (DOT) of HCMC People's Committee (HCMC PC) and the Management Authority for Urban Railways (MAUR), to develop an updated TA work program and schedule while considering the delay of TA effectiveness, funding approval process for consulting service for Front-End Engineering Design (FEED) Preparation and Implementation Support for MRT Line 5 (hereafter FEED consulting service) under Loan 2982 Project Preparation and Start-up Support Facility, and cancellation of the feasibility study (FS) for the HCMC Traffic Control Center (HTCC) Project.</p> <p>During the Country Programming mission in early 2016, as it had become clear that the Line 5_Stage 1 Project could not be completed within the 10-year availability period limit of the MFF modality, HCMC PC, Ministry of Planning and Investment and ADB agreed to change the modality into three separate stand-alone projects. The current pipeline includes the HCMC Traffic Control Center (HTCC) Project in 2019, and the MRT Line 5_Stage 1 Project and MRT Line 5 Integration Project are included in the 2020 longlist.</p> <p>The recruitment of FEED consulting service, with the estimated costs of \$12 million, has been delayed due to the prolonged funding approval process and development of a request for proposal. Contract award is expected in 2017. The outputs of FEED consulting service will be used to formulate the MRT Line 5 Project. The IAs and ADB identified three phases: (i) Phase 1 supports MAUR in recruiting FEED consulting service (2016-2017: ongoing); (ii) Phase 2 supports MAUR in preparing additional financing to the MRT Line 2 Project in conjunction with MRT Line 5 Project (2018); and (iii) Phase 3 formulates the MRT Line 5 Project and HTCC Project (2018 -). During the activities, DOT and MAUR with the support of PPTA consultants will carry out necessary stakeholder consultation to complete FEED consulting service and due diligence for the MRT Line 5 Project, HTCC Project, and MRT Line 5 Integration Project.</p> <p>Due to the delay of the recruitment of FEED consulting service, the PPTA may need to be extended to complete the three phases.</p>

Business Opportunities

Consulting Services	<p>The PPTA will engage 18 person months of international and 27 person months of domestic consultants, by individual selection method for international positions and a firm for local positions. Consultant selection will be done in accordance with ADB's Consultant Guidelines (2013, as amended from time to time). The PPTA will be supported through separate consultant services to address climate change adaptation.</p>
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Responsible Staff

Responsible ADB Officer	Mizusawa, Daisuke
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Transport and Communications Division, SERD
Executing Agencies	<p><i>Ho Chi Minh City People's Committee</i> <i>29 Le Quy Don Street, 07th Ward</i> <i>03rd District, Ho Chi Minh City</i> <i>Viet Nam</i></p>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	18 Dec 2014
Last Review Mission	-

TA 8860-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
18 Dec 2014	06 Nov 2015	06 Nov 2015	31 Jan 2018	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
600,000.00	0.00	250,000.00	0.00	0.00	0.00	850,000.00	18 Dec 2014	36,390.89

Project Page <https://www.adb.org/projects/48260-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48260-001>

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