



Viet Nam: Secondary Cities Environment Improvement Project

Project Name	Secondary Cities Environment Improvement Project	
Project Number	52325-001	
Country	Viet Nam	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant Loan	
Source of Funding / Amount	Loan: Secondary Cities Environmental Improvement Project	
	Ordinary capital resources	US\$ 175.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Water and other urban infrastructure and services - Other urban services - Urban flood protection - Urban sewerage - Urban solid waste management	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The project is aligned with the following impact: livability of secondary cities in Dak Nong, Binh Thuan and Ninh Thuan provinces enhanced. The expected outcome will be access to urban environmental infrastructure and services in Gia Nghia, Phan Thiet and Phan Rang Thap Cham improved. Project outputs include: (i) urban environmental infrastructure improved, and (ii) institutional effectiveness, planning capacity and policy and regulatory environment improved.	
Project Rationale and Linkage to Country/Regional Strategy	<p>Since the Doi Moi (reforms) in the late 1980s, Viet Nam has maintained rapid economic growth, averaging over 6.5% annually during 1991-2015. The country's economic transition from agriculture to industry and service sectors closely links with its urban growth and associated demographic distribution. In 2018, 34.5% of the country's population lived in cities as compared with 19.5% in 1990. By 2025, the urban population will reach 52 million, accounting for 50% of the country's population and contributing to more than 70% of the national Gross Domestic Product (GDP).</p> <p>Viet Nam's urbanization is uneven. The five first-tier centrally administered cities generate more than half the GDP from Vietnamese cities, more than 37% of export turnover, and more than 56% of gross national budget revenues despite accounting for only 20% of the population and 3% of the land area.</p> <p>The government's urban development strategy is focused on achieving a balanced and strategic growth by establishing transport corridors and a network of urban centers across the country. The strategy envisages secondary cities as development hubs of the subregion. The government targets that, by 2025, (i) 90% of urban population has access to water supply, (ii) urban road area accounts for 15-25% of the urbanized area, (iii) 90% of municipal waste is collected and treated, and (iv) wastewater is treated in accordance with stipulated standards.</p> <p>Access to urban services in secondary cities. With an increasingly urban economy, urban services in Viet Nam are critical for promoting inclusive growth by providing basic infrastructure for businesses and households, creating jobs, safeguarding the surrounding environment, and reducing exposure to flooding and other extreme events. In Viet Nam's secondary cities, less than 60% of households are connected to a potable water supply system and only 10% of their urban wastewater is treated by a centralized system. The lack of proper stormwater management limits the drainage systems capacity and exacerbates flood impacts. More than 40% of municipal solid waste is neither collected or improperly treated.</p> <p>Service delivery constraints in secondary cities. Technical, institutional, and financial constraints causing these service delivery gaps include: (i) inadequate quantity and quality of service coverage and underperforming urban environmental infrastructure assets; (ii) unclear responsibilities among service providers, lack of technical capacity for asset management, and inadequate public investments management; and (iii) inability to charge and collect full cost of services, limited own source revenues and dependency on the central and/or provincial governments for fiscal transfers, and imbalance expenditure patterns including investment expenditures accounting for smaller share as compared with recurrent expenditures while not enough financing being provided for operations and maintenance (O&M). Provincial capitals of Gia Nghia (Dak Nong province), Phan Thiet (Binh Thuan province) and Phan Rang Thap Cham (Ninh Thuan province) were selected due to their regional development constraints. Their economies are primarily agriculture-based and particularly vulnerable to climate change. Although opportunities for mineral resources-based, manufacturing and service industries are gradually emerging, these underdeveloped provinces struggle to find greener development pathways to transform their agriculture-based economy to that of industry and service sectors-based economy.</p>	
Impact	Livability of secondary cities in Binh Phuoc, Dak Nong, Binh Thuan and Ninh Thuan provinces enhanced	
Outcome	Access to urban environmental infrastructure and services in participating cities improved	
Outputs	Urban environmental infrastructure improved Institutional effectiveness and policy environment improved	
Geographical Location	Gia Nghia, Phan Thiet, Thanh Pho Phan Rang-Thap Cham	
Safeguard Categories		
Environment		A
Involuntary Resettlement		A
Indigenous Peoples		B

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	

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Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<u>Binh Phuoc Provincial People's Committee</u> <u>Road 6/1, Tan Phu Ward, Dong Xoai Town</u> <u>Binh Thuan Provincial People's Committee</u> <u>137 Le Hong Phong Street, Phan Thiet</u> <u>City, Binh Thuan Province</u> <u>Dak Nong Provincial People's Committee</u> <u>23/3 Street, Nghia Duc Ward, Gia Nghia</u> <u>Town, Dak Nong Province</u> <u>Ninh Thuan Provincial People's Committee</u> <u>No. 283 Thong Nhat St., My Huong Ward</u> <u>Phan Rang town</u> <u>Ninh Thuan</u>

Timetable	
Concept Clearance	17 Apr 2019
Fact Finding	17 Feb 2020 to 25 Feb 2020
MRM	29 May 2020
Approval	-
Last Review Mission	-
Last PDS Update	20 Jun 2019

Project Page	https://www.adb.org/projects/52325-001/main
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