



## 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	<table border="1"><tr><td colspan="2"><b>Loan 3113-VIE: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2</b></td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 10.00 million</td></tr><tr><td colspan="2"><b>Loan 8279-VIE: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2</b></td></tr><tr><td>Clean Technology Fund</td><td>US\$ 48.95 million</td></tr></table>	<b>Loan 3113-VIE: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 10.00 million	<b>Loan 8279-VIE: Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Transit Line 2</b>		Clean Technology Fund	US\$ 48.95 million
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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	<b>Transport</b> - Urban public transport								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	<p>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.</p> <p>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.</p>								

Project Rationale and Linkage to Country/Regional Strategy	<p>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.</p> <p>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.</p> <p>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.</p>
Impact	An integrated and sustainable public transport system in six districts of HCMC

## Project Outcome

Description of Outcome	Improved access to MRT Line 2 stations and connectivity with other modes of public transport.
Progress Toward Outcome	Consultant selection is on-going.

## Implementation Progress

Description of Project Outputs	<p>Establishment of MRT Line 2 station accessibility improvements</p> <p>Establishment of public transport information systems</p> <p>Enactment of public transport policy development program</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>The project outputs are not yet due.</p> <p>The project has faced 1.5 year delay and further expected delay due to its dependence on the progress of the HCMC Urban MRT Line 2 Project (Loans 2731/2956), which is facing substantial delay.</p> <p>This delay has caused:</p> <ul style="list-style-type: none"> <li>(i) subsequent delay in recruitment of consulting services. Currently, only CS5 (external financial audit) consulting service package is under recruitment;</li> <li>(ii) slow project financial progress. All the project consulting service packages are under preparation, while the preparation of civil works and equipment packages has not been started yet;</li> <li>(iii) a need for extending a project completion date from 30 June 2020 to 31 December 2024 to align with the Urban MRT Line 2 Project.</li> </ul> <p>The implementing agency, UTMD1, has initiated formal project adjustments and loan closing date extension, which are expected to be approved by the third quarter 2017. The project is expected to be back on track by then due to optimization of project implementation schedule.</p>

Geographical Location

## Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	<p>The project is assessed as category B for environment.</p> <p>The draft initial environmental examination, which 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.</p> <p>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.</p> <p>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.</p>
Involuntary Resettlement	<p>The project is assessed as category B for involuntary resettlement.</p> <p>The 1.6 hectares of land acquisition required will affect only government-owned land. An estimated 63 roadside stalls and small shops with 77 employees near three MRT Line 2 stations will be affected, as well as two gas stations owned by the government and employing 23 people.</p> <p>A resettlement plan has been prepared that is consistent with ADB's Safeguard Policy Statement and relevant legislation and policies in Viet Nam. 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.</p>
Indigenous Peoples	<p>The project is assessed as category C for indigenous peoples' safeguards.</p> <p>Due diligence has confirmed that there are no ethnic minority communities in the project area</p>

### Stakeholder Communication, Participation, and Consultation

During Project Design	<p>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.</p> <p>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.</p>
During Project Implementation	Not yet

### Business Opportunities

Consulting Services	<p>International and local consulting services to support design, supervision and project management, as well as to undertake bus management and urban transport policy studies</p> <p>Five consulting service packages;</p> <p>CS01: Survey, Design and Supervision</p> <p>CS02: Transport and Traffic management modeling</p> <p>CS03: Development of a Bus Information System (BIS)/Bus Management System (BMS) Centre</p> <p>CS04: Urban transport sector development and project management support</p> <p>CS05: External Financial Audit</p>
Procurement	<p>Civil works and equipment related to public transport facilities and services</p> <p>Four civil works and one equipment packages:</p> <p>CP01: Infrastructure and parking</p> <p>CP02: Bus infrastructure, entrance and landscaping</p> <p>CP03: Traffic Management</p> <p>CP04: Subway and footbridge</p> <p>EQ01: Accessibility improvement and public transport measures</p>

### Responsible Staff

Responsible ADB Officer	Mizusawa, Daisuke
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission

## Timetable

Concept Clearance	18 Oct 2011
Fact Finding	09 Jul 2013 to 16 Jul 2013
MRM	02 Aug 2013
Approval	20 Feb 2014
Last Review Mission	-
Last PDS Update	31 Mar 2017

## Loan 3113-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Feb 2014	18 Jul 2014	14 Apr 2015	30 Jun 2020	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	16.05		Cumulative Contract Awards			
ADB	10.00		20 Feb 2014	0.00	0.00	0%
Counterpart	6.05		Cumulative Disbursements			
Cofinancing	0.00		20 Feb 2014	0.00	0.00	0%

## Loan 8279-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Feb 2014	18 Jul 2014	14 Apr 2015	30 Jun 2020	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	48.95		Cumulative Contract Awards			
ADB	0.00		20 Feb 2014	0.00	0.00	0%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	48.95		20 Feb 2014	0.00	0.21	0%

Project Page <https://www.adb.org/projects/45200-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=45200-002>

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